The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Is the Soviet Red Army Ready for War---Despite the Purges?

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SATURDAY, AUGUST 6, 1938 VOLUME 85, NUMBER 10

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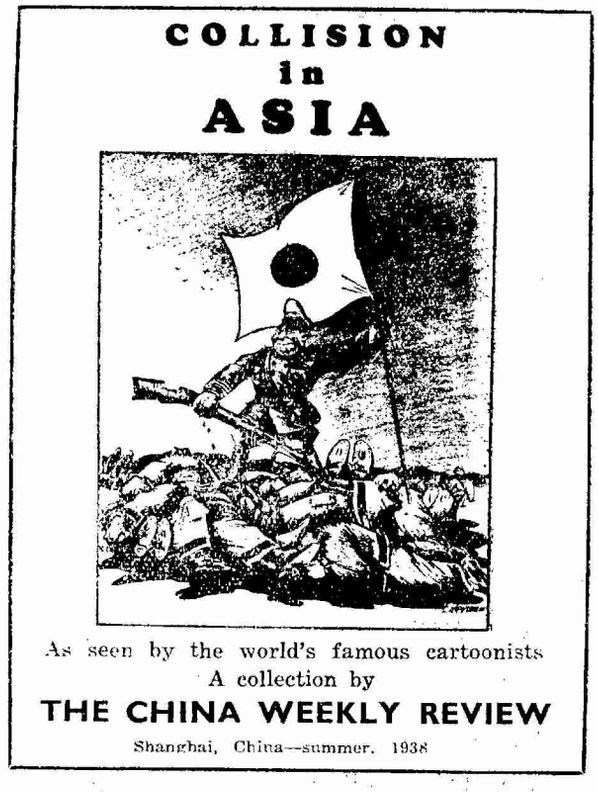

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The China Weekly REVIEW

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Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

Volume 85 | Shanghai, China, Saturday, August 6, 1938 | Number 10

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher
EARL A. SELLE, Assistant Editor
HOH CHIEH-SHIANG, Editorial Dept.
T. V. KU, Advertising Dept.
F. K. CHAO, Business Dept.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

SHANGHAI'S BRIDGE OF SIGHS AND TERRORISM ISSUE

SHANGHAI'S Garden Bridge connecting the section of the International Settlement "south of the creek," with the Japanese-controlled Hongkew area might well be designated as the world's third "bridge of sighs." The term originated with the bridge which connected the ancient Venetian palace of the Doge with the state prison. Prisoners were led across the bridge from the judgement hall to the place of execution. Byron in *Childe Harold's Pilgrimage* wrote;

"I stood in Venice, on the Bridge of Sighs,
A palace and a prison on each hand."

Waterloo Bridge in London, also used to be known as the Bridge of Sighs, when suicides were frequent there.

Thus far there have been no suicides from Garden Bridge as a result of Japan's occupation of Hongkew and the stationing of Japanese guards on this unpretentious structure, but the Venetian designation is applicable here due to the report that the Shanghai Police Department escorted the youthful Chinese patriot who was accused of terroristic activities, across Garden Bridge when he was turned over to the Special Service Section of the Japanese Army for execution.

But whether the designation of Shanghai's "Bridge of Sighs," refers to suicides or executions, the situation prevailing on that unlovely iron span across Soochow Creek is anything but happy and typifies all that is evil and dangerous in the relations of Orient and Occident.

Japanese warlords, who are constantly pressing the authorities of the International Settlement to suppress Chinese terrorism apparently do not realize that a chief cause of terrorism in Shanghai is the Garden Bridge where armed Japanese guards mistreat and frequently torture defenseless Chinese and often illtreat foreigners, witness the recent case of the British woman, Mrs. Dorothea Lintilhac, who was rough-handled by a Japanese sentry who disapproved of her manner of walking cross the bridge.

This particular incident, more serious than usual, caused a commotion, even in England, but dozens of others, less sensational occur daily. Obviously there is something wrong with Japanese mentality when their armed guards prevent, as they did no Tuesday of this week, fire engines from the Settlement fire department, from crossing the bridge to extinguish a fire, merely because the Chinese chauffers driving the fire-trucks did not possess passes from the Special Service Secton of the Japanese Army.

Hundreds of foreigners residing in Shanghai, and hundreds of others who are tourists or passengers on Trans-Pacific ships which dock here, who have no

valid cause for harboring anti-Japanese animosities, nevertheless become violently antagonistic toward the Japanese merely because of the activities of Japanese guards on Garden Bridge. Many foreigners declare that the action and attitude of the Japanese armed guards on Garden Bridge typify all that is mean, hateful and disgusting in the militaristic establishment of Nippon.

But the Japanese are not alone in the matter of inciting terrorism on the part of individuals in the Chinese community. The action of the Shanghai Police Department in handing a Chinese youth, found with a bomb in his possession, over to the Japanese Special Service Section, for certain execution, probably has done more to incite terroristic acts on the part of the more excitable elements in the Chinese population than anything else, excepting of course, the brutality of the Japanese guards on Garden Bridge.

On Tuesday of this week *Domei* reported that a young man named Chang Yu-ho, who had been "convicted" of terrorism by a Japanese military court martial, had been executed on the previous day. The significant element in the report was that Chang had been arrested by the Japanese gendarmerie *at Peking Road and the Bund*, otherwise "south of the creek," where the Municipal Police are supposed to be supreme. As a matter of fact the Japanese for a considerable period apparently have been arresting Chinese and confining them in the "pontoon restaurant" at the foot of Peking Road. It is strange that the police were unaware of the Chang incident!

In the course of editorial comment on the action of the Municipal Police in handing over to the Japanese *without trial*, Chinese youths accused of terroristic activities, *The Review* stated that an unnamed police official who was quoted in *The China Press* as approving this action "was generally thought to be Major K. M. Bourne, Commissioner of Police." It is understood that Major Bourne has denied the statements which were attributed to him—in which case we express our regret—but since Major Bourne is head of the Police Department he is obviously responsible for the acts of the Police in handing the Chinese youths over to the Japanese for execution. Although the Municipal Council may have approved the action, the public, particularly the Chinese will hold the Commissioner of Police responsible as they, and the rest of the public, held another commissioner of police responsible for another action on May 30, 1925, which had the effect of switching Chinese animosities away from the Japanese and toward the British and precipitating a situation which ultimately required an international investigation to adjust.

The *Morning Leader* published in the Chinese language under British auspices, declared in the course of an editorial dealing with the police action that the Shanghai Provisional Court Agreement provides that persons arrested by the Settlement Police must be handed over to the Chinese Special District Courts with 24 hours, "and if the Settlement Police Authorities fail to do this within the prescribed time, the arrested will be considered not guilty." The young man who was handed over to the Japanese Army, "had been held in a Settlement police station for 10 days and was finally handed over to the Japanese without reference to the Courts or the Court Agreement. This was a gross violation of the Agreement, and this action has been responsible for profound doubts on the part of the Chinese residents here. These facts have plunged the Settlement's residents into a state of uneasiness .... The Settlement authorities should do two things, first, obtain the release of the youth who was handed over to the Japanese. He should either be released or tried in Court. Second, the other Chinese (19) who were arrested on July 7 and are still illegally held, should be turned over to the Court for trial.

THERE IS NOTHING ELSE TO DO EXCEPT FIGHT FOR LIBERTY AND JUSTICE

THE publication last week, by the Japanese-controlled puppet government in Nanking, of regulations for the monopolization of Chinese power companies, waterworks, inland shipping lines, telephone, telegraph and radio communications should be of material assistance to a considerable number of individuals, foreign as well as Chinese, in enabling them to make up their minds as to their future course of activity.

Details of the Japanese monopoly program appear elsewhere in this issue of *The Review*. They differ little from what the Japanese Army already has done in Manchuria and is doing in North China.

In Manchuria, direct foreign trade, except with Japan or through Japanese agencies, has been eliminated. In North China foreign trade, according to reliable report, has been reduced to about 20 percent of the total, Japanese firms taking the 80 percent. In Tsingtao, according to a British consular report, no one may export any Shantung produce, unless the deal is financed through the Yokohama Specie Bank.

Chinese papers lastweek reported that Japanese merchandise is being "dumped" in occupied areas of Kiangsu and Chekiang provinces in the hinterland of Shanghai, to such an extent that both Chinese merchandise and the familiar articles of foreign trade have practically disappeared from the shops. Even the shops are largely run by Japanese.

The people, who still remain in the districts are compelled to accept Japanese military notes in exchange for their Chinese Government legal tender notes at the rate of $1 Chinese equals half a dollar in Japanese notes. Legal tender notes, collected by the Japanese are shipped to Shanghai in large quantities where they are converted into merchandise or "exchange," with resulting profits to the aggressors. Chinese legal tender notes are being forced down or out entirely, leaving in their place vast quantities of Japanese paper notes printed in ton lots to pay the army.

Foreigners are barred from resuming trade in the interior, but Japanese trucks loaded with merchandise and often carrying armed guards supplied by the army, go everywhere. The only obstruction which the Japanese apparently meet is the bandit or guerilla band which occasionally nabs one or more of these Japanese trucks with its contents and massacres the armed escorts.

As suggested in the opening paragraph, these developments, regarding which there can be no further argument' should have one constructive effect in enabling members of the Shanghai commercial community, foreign as well as Chinese to make up their minds. Heretofore there has been considerable argument about Japan's future intentions and many individuals have thought that they might be able to "get by."

But the hand-writing is now on the wall in letters which all may read and understand. By establishing monopolies, "legalized" by the puppet governments, the Japanese will force the Chinese businesemen out entirely and there will be nothing left for the exterritorially-protected foreigner except to figuratively fold up his tent and go home. Thus far monopolies have been announced covering public utilities in the cities and communication and transportation services in the interior. But it is only a matter of time until the Japanese monopolies are extended into other fields, including the wholesale and retail markets. In Manchuria the Japanese police make regular "inspection" trips to all retail stores and firms found handling foreign goods are penalized in various ways. The

result is that all foreign goods must be handled surreptitiously, "bootlegged" so to speak.

Thus, as stated, there is nothing left to do EXCEPT FIGHT! The Japanese have helped even the wavering ones to make up their minds!

MR. FUKUDA'S TELECOMMUNICATIONS COMPANY, LIMITED

T. FUKUDA, a newcomer in our midst, is President of the new Japanese telegraph monopoly which the Japanese military and naval authorities have authorized to operate in this area—using the equipment which the armed forces of Nippon seized from the Chinese Government and people. The new Japanese enterprise, which began functioning on August 1 is known by the imposing title of "Central China Telecommunications Company, Ltd."

Mr. Fukuda, in the course of a letter which he mailed out to Shanghai residents seeking patronage, said :—

> "Ever since the beginning of this year under the auspices of the Japanese Military and Naval authorities, The Central China Telegraph Company has been working in the purpose of constructing as well as maintaining the telecommunications business in this part of China.
>
> "On this first day of August, 1938, we hereby take pleasure to announce the formal inauguration of The Central China Telecommunications Co., Ltd. which is to run the work of the aforesaid company, and shall take whole control over all tele-communications in Central China jointly incorporated by Chinese and Japanese.
>
> "During the infancy of this organization, much is to be regretted, we believe, for the immaturity and imperfection of our service. Nevertheless, in fulfilling the high expectations of the community, we will endeavour with our utmost to enlarge our working staff, to increase our effeciency, and to augment our installations for the reviving and development of the tele-communication enterprise in Central China.
>
> "We appreciate and beg to solicit encouragement and criticism from our friends and well-wishers, who are, we understand, anxious to see the success and prosperity of our endeavour in the time to come."

Japanese Army Tightens the Screws on Foreign Businessmen and Their Interests

WHILE Great Britain and the United States remain passive witnesses, the Japanese Army is continuing to tighten its strangle-hold on foreign business interests in China.

Half-hearted attempts to reassert their rights in the Orient were made by both Powers in the earlier part of the summer. On June 2, Secretary of State Cordell Hull in a sharp note demanded the return of Japanese-occupied properties to their American owners and the removal of bars to travel by Americans in the Japanese-controlled areas.

Eight weeks later, Lord Halifax, British Foreign Secretary, warned Tokyo in equally sharp words that Great Britain was "already considering posible action" open to her if Japan failed to give "adequate considerations" to British interests in China.

As all other notes, demarches and representations made in the past seven years, these statements by the two Governments were relegated by the Japanese Army to the inglorious oblivion of Foreign office files.

After painstaking and protracted study of the American note, Japan's so-called "moderate Foreign Minister" Gen. K. Ugaki on July 16 rejected the protest. The Japanese reply comprised three points :

1. The American Government was informed that Japanese troops had been withdrawn from the American-owned University of Shanghai on July 5, but that the owners would not be allowed to take possession of their property because of the "military importance" of the latter.
2. Japan had declined to indemnify American nationals for losses incurred by them in the course of Sino-Japanese hostilities.
3. Permission to American nationals to return to their homes, businesses and stations in the Lower Yangtse area was refused on the grounds of "grave danger" still existing in the region.

"It is a fact," Gen. Ugaki blithely admitted, "that more than 800 Japanese live in Nanking in such circumstances from pure military necessity. Despite proper protection and strict vigilance by the authorities, a number of our fellow-countrymen have been subjected to Chinese atrocities and robbery. The sufferers being so far the Japanese, it has not evoked popular attention as in the case of foreigners.

"Such being the case, the Imperial Government is compelled to resume military activities as a measure of self-defense in those regions. Although peace seems to be prevailing in Shanghai, Nanking and other cities, special consideration should be made for the regions as a base of military operations to protect our military secrets."

Lord Halifax' statement elicited from Gen. Ugaki the response that "Japan is willing to give due consideration to Britain's interests in China on condition that Japan's position in China be duly understood by Britain and, insofar as Japan's military operations are concerned, will not be prejudiced,"—to quote *Domei*.

This casuistic declaration was accompanied by an outburst of officially-inspired anti-British propaganda in Japan's rigidly controlled press. The *leit-motifs* of these editorial fulminations were indignation at the assistance given by Britain to the Chinese Government and solemn assurances that Japan's invasion of China was "not designed to protect Japanese interests alone."

It required no great effort to discover that both of Gen. Ugaki's replies were crudely concocted mixtures of official deceprion and attempts to establish and maintain precedents for the continued exclusion of foreign businessmen from the interior of China.

Gen. Ugaki's solemn assertion that Nanking's large Japanese community was there for reasons of "pure military necessity" could not be described otherwise than a falsehood, for it was the Japanese press itself which carried enthusiastic accounts of the rapid transformation of Chungshan Road into another "Ginza," with department stores, tea shops and a parading crowd of gaily attired Japanese civilians, including women.

Both of Gen. Ugaki's statements laid strong emphasis on military exigencies as an excuse for continued exclusion of foreigners from the interior. This doctrine, first invoked in December of last year, has now become the most effective of the weapons used by the Japanese Army in combating foreign business interests.

If, after seven months of occupation, Nanking could still be described as a war zone, access to which was barred to foreigners because of the Army's solicitude for their well-being, there is nothing to prevent Tokyo from maintaining this stand a year hence.

This doctrine is especially dangerous because it sets the Japanese military as the sole arbiters regarding the admissibility of foreigners into any part of Japanese-controlled territory, and also because such restrictions do not, in any degree, apply to Nipponese traders and industrialists.

"The outside world," the *Tokyo Hochi* said in a belligerent editorial on July 31, "must remember that Japan will not budge an inch unless and until the ultimate object of her action in China is attained, no matter what obstacles may lie in her way or what sacrifices she may be called upon to make."

That this statement represented the views held by the ruling military-financial oligarchy in Japan was indicated by developments which had taken place in China despite, and between, the note of Mr. Hull and the declaration of Lord Halifax.

While Minister-At-Large Masayuki Tani, whose main function is to coat with diplomatic words the actions of the military, was asking that "allowances be made for some delays in implementing our guarantees of foreign rights and interests," the Japanese Army had taken the following steps:

1. Established a trade monopoly in North China, to the complete exclusion of foreigners;
2. Set up monopolistic telephone and telegraph companies in North and Central China;
3. Inaugurated a power monopoly in Central China;
4. Merged two major Japanese tobacco companies in North China into a single concern, whose aim is to monopolize the market;
5. Established an oil monopoly in North China;
6. Created a firm enjoying a monopoly on shipping in inland waterways in Central China, including the Whangpoo River and the Soochow Creek;
7. With one flourish of the pen eliminated foreign merchants from the North China fur and hide trade, both of these items now being in demand in Japan, mainly for military needs;
8. Served an ultimatum on Chinese industrialists in Central China that their plants would be confiscated unless they agreed to "co-operate"; and
9. Gave notice to the Western World that Japan would not compensate foreign nationals for losses sustained in the course of the current war.

The seven weeks that had elapsed between Mr. Hull's note and Lord Halifax' address, as the above—incomplete—list clearly shows, were the most tragic ever experienced by foreign interests in this country. Harsher blows may have been experienced before, but never has the damage suffered given such omnious signs of permanence as now.

Most important among the steps taken by the Japanese Army to solidify its hold on the economic structure of the country and to exclude foreign interests from the vast Chinese market was the imposition of a license system on the importation and exportation of goods in North China.

The consent of the Army's obedient "Provisional Government" will henceforth be required to export North China's staples and to import manufactured goods. This system, avowedly drafted by the Army's economic experts, provided for the linking of exports with imports.

There is a potential powder-box, as far as foreigners are concerned, in this canny barter scheme. North China's main items of exports are cotton, wool, furs, hides and skins, salt, iron and coal. All of these are needed by Nippon's textile and heavy industries and have, with some exceptions, even in time of peace, been preponderantly shipped to China's "friendly neighbor."

Linking exports with imports by edict of the new puppet Government, the Japanese Army virtually compels the northern provinces to buy exclusively Nippon-made goods. Foreign traders will not be able to sell their wares in North China and they will not be able to secure any of the region's products.

Germany alone may conclude a barter trade agreement with the Japanese Army in North China, but it still remains to be seen to what extent the Army's love for the Anti-Comintern axis will out-weigh Nippon's need of North China's coal and iron. Germany's trade experiment in Manchuria has had a modicum of success only because of the soya-bean, which Japan wants only in a limited quantity.

The imposition of the license system was the concluding blow to foreign business interests, already tottering under the combined impact of the prohibition of travel, the unbeatable competition of Japanese bayonet-backed trade monopolies, the introduction of a Tokyo-drafted tariff schedule, and the circulation of the so-called "Federal Reserve banknotes."

It would, of course, be naive to expect the "Provisional Government,"—established, protected and subsidized by the Japanese Army,—to issue licenses to foreign importers and exporters competing with Japanese firms. The Army, by virtue of the new decree, has in effect assumed "legal" authority to tell foreign traders what and how much they can, or cannot, buy and sell.

Moreover, the avowed goal of the new system, announced in Peiping on July 29, is the accumulation of foreign exchange. This the "Government" can easily do by demanding that all foreign applicants for licenses should pay for their purchases in foreign currency. Foreign sales in North China will, of course, continue to be in terms of inconvertible Japanese Yen and "Federal" banknotes.

Still more brazen than the introduction of the licensing system was the refusal of the Japanese naval authorities in Tsingtao to issue export permits unless the deals were financed through the semi-official Yokohama Specie Bank.

If the Japanese could claim that the licensing system had been imposed by an "independent Chinese Government" in Peiping, they did not even have this flimsy excuse in the flagrant violation of all international treaties in Tsingtao.

The date on which the licensing scheme was to go into effect was not given in the Peiping decree. This left open the possibility that a joint British-American-French protest, of unprecedented sternness, may yet prevent the enforcement of the ukase.

Japanese violation of the principles of "Open Door" and "Equal Opportunity" in Manchuria in 1931-35 was ignored by the Great Powers on the ground that the interests affected did not justify a conflict with Japan. The enormous foreign investments in North China, as well as the certainty that the experiment, if successful in the north, would be repeated in Central China, supply such a justification now. Stern action in the past had invariably assisted in changing Nippon's Imperial mind. If foreign investments are to be saved from quick and painful extinction, such action is urgently needed today.

***

Foreign shipping concerns did not fare better under the heavy Japanese barrage than their fellow-traders. The Nipponese Army's bloodless campaign against "alien" shippers proceeded on four fronts.

In Tokyo, preparations went apace for the establishment of what Japanese newspapers fondly described as "a national policy shipping company for China." This huge semi-official concern, plans for whose formation have already been approved by Premier Prince A. Konoye, was expected to be inaugurated late this year.

Capitalized at Yen 100,000,000, the projected firm ostensibly aimed at the control of Japanese shipping services between Japan and China and in the China waters.

Japanese newspapers, however, frankly admitted that the new concern would open a major offensive against the "entrenched foreign interests" in China, mainly British. It is obvious that a Japanese official shipping company will enjoy innumerable advantages over its foreign competitors.

If experience is a tutor, the projected firm will have no difficulties in obtaining navigation passes from the

Army, in securing harbor and wharvage privileges, in establishing a monopoly on the transportation of Chinese "official" passengers and cargoes, and in capturing a lion's share, if not all, of the ordinary Chinese shipping trade.

A Chinese merchant in the interior would indeed be a paragon of courage if he defied his Japanese military "protectors" and shipped his goods from and to the major ports aboard foreign vessels. "Advice" similar to that tendered to Chinese traders in Tsingtao by the Japanese Navy would suffice to ensure the projected shipping concern of a capacity business.

The methods which the Japanese Fighting Services will use in strangling foreign shipping interests in the course of the next few months were demonstrated on a minor scale late in July, when a Japanese concern was granted a monopoly on shipping in inland waterways radiating from Shanghai.

The new firm's tentacles were to extend to the transportation of passengers and goods, operation of wharves and godowns in various towns in the interior, and the renting and chartering of vessels. The company's ships, most of them confiscated from hapless Chinese owners who refused to "co-operate," were to ply the Whangpoo, Soochow Canal and other waterways in Central China, with the exception of the Yangtse. Branches of the concern were to be established in Hangchow, Soochow, Changchow, Pinghu, Chinkiang and other important towns.

Anticipating foreign protests, the Japanese Fighting Services wisely allowed foreigners to join the company as shareholders, on the condition that they *agree in advance* to the valuation placed on their vessels and other property by the firm's "experts."

As these experts were Japanese, who were not especially anxious to enjoy the benefits of foreign cooperation, the extent of their generosity in evaluating foreign property could easily be imagined.

One foreigner, agerman, was on the list of shareholders. Undoubtedly his name will be freely used in the future by the Japanese in advertising their sincere desire to give every opportunity to foreign businessmen.

The monopoly was granted to the Shanghai Inland Navigation Steamship Company by the so-called "Reformed Government" in Nanking. This means that should foreign protests against this enterprise become too violent, the Japanese Fighting Services will be in a position to refer the Foreign Powers to the "independent" regime in the New Asia Hotel, in the Japanese-controlled Hongkew district noth of Soochow creek.

Some shipping men in Shanghai stated that the new monopoly did not really infringe upon foreign vested rights, since few foreign concerns were interested in shipping in the inland waterways. This stand was both naive and shortsighted. In establishing the monopoly the Japanese Fighting Services violated every international treaty which provided for the maintenance of the principles of "Open Door" and "Equal Opportunity" in China. It, moreover, established a dangerous precedent which Tokyo will not hesitate to use when time comes to inaugurate the "national policy shipping compnay."

Unless prompt and effective action is taken now to spike the new enterprise, it will come to plague the foreign shipping interests before the end of this year.

On the Yangtse "front" of the bitter war between the Japanese Fighting Services and foreign businessmen, Nippon continues to bar access to the great river by foreign ships. Repeated and strongly-worded protests from London were on July 18 rejected by the Tokyo "Inner Cabinet," which reiterated the Navy's oft-mouthed explanation that floating mines made river traffic dangerous.

This solicitude for foreign safety, curiously, did not apply to Japanese merchantmen. The *China Press* reported on Aug. 3 that the Nisshin Kisen Kaisha, leading Japanese shipping company in China, was openly accepting orders for the transportation of cargo to Nanking, Wuhu and even Kiukiang, which was captured only eight days earlier.

This American-Chinese daily further asserted that foreign hulks on the Yangtse were being used by Japanese shipping companies to load Chinese cargo aboard their merchantmen, which courageously make regular runs up and down the river without fear of striking a floating mine.

The attitude maintained by the Japanese on the Yangtse shipping issue was so brazen as to call for the strongest possible action on the part of the Foreign Powers involved, and mainly Britian. The suggestion proffered by British shipping men in Shanghai for the retaliatory closure of British ports to Japanese ships, unless Tokyo lived up to its solemn treaty obligations and pledges, appeared to be very sound, despite the possibility of a sharp reaction in Japan to such a threat.

Last, but not least, among the repressive measures taken by the Japanese armed forces against foreign shipping interests were the denial of wharvage and other privilages in Tsingtao to non-Japanese vessles and repeated attempts to hamper foreign shipping through a suspiciously over-zealous employment of quarantine regulations.

Innumerable protests made by the British Government against the refusal of the Japanese authorities to permit British ships to tie up at the Tsingtao wharves,—although this privilege was extended freely to Japanese and German vessels,—has, if anything, led to the intensification of the anti-foreign campaign.

Faced with the certainty of prolonged delays in the Tsingtao harbor, and with the possibility of unpleasant incidents with the Japanese authorities, even foreign passengers today hesitate to board non-Japanese ships sailing for Tsingtao and Tientsin.

The shipping problem demands the earliest possible attention from London and Washington, in view of its intimate relation to foreign trade in China. If foreign commerce is to regain some of its lost ground it must have the support of an unhampered foreign shipping and a free access to the interior. Both of these are still denied to foreign traders from Peitaiho to Amoy.

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Equally ominous for foreign interests in China was the establishment late in July of the North China Telegraph And Telephone Company, capitalized at Yen 35,000,000, and the Central China Electric Communications Company, capitalized at Yen 15,000,000; and the projected formation of a monopolistic power concern in Central China.

All of these firms openly looted Chinese property by the simple device of inviting its owners to become shareholders, the number of shares being decided by Japanese assessors. In the power concern, the Japanese-controlled "Reformed Government" went a step further by announcing that the Chinese owners would be completely dispossessed if they failed to become "shareholders" within ten days.

The establishment of the three companies assured the Japanese of air-tight control over the communications, power and waterworks facilities in North and Central China, to the exclusion of foreign interests. Simultaneously, identical regulations were issued with regard to mines in Central China.

A similar procedure was followed in other branches of industry, Japanese industrialists,—notably textile manufacturers,—joining their Fighting Services in the jolly business of dispossessing their erstwhile competitors.

In an announcement issued jointly by the Army and the Navy in July, Chinese industrialists reluctant to give up their property were informed that their factories

and plants would be "assigned temporarily to Japanese operators."

The statement was worthy of a place of honor in the London *Punch* or American *Judge*. This impudent, unashamed of theft property,—much of which either entirely or partly belongs to foreigners,—was described by the Japanese authorities in the following honeyed words:

> "The purpose of this scheme for joint management is to relieve those Chinese owners of the oppression of the Chiang Kai-shek regime and to realize through such co-operation the fruits of mutual Sino-Japanese well-being and prosperity.
>
> "In no sense should it be deduced that the plan aims at jeopardizing Chinese property, or cutting off the source of revenue of its owners . . . .
>
> "However, cases where Chinese owners, while actually desirous of engaging in joint management, have been reluctant to agree to such an arrangement because of fear that their property rights may be jeopardised or because of fear of oppression from the Chiang Kai-shek regime, have come to the attention of the Japanese authorities.
>
> "These authorities also feel extreme displeasure at the dilatory tactics being adopted by certain Third Power nationals, who through false transfer of ownership or fictitious sale contracts have made large, unjust profits and have delayed the negotiations between Chinese and Japanese interests.
>
> "Consequently, the authorities have decided not to take into consideration such activities, and assign temporary Japanese operators to such plants which do not agree to joint management, so that operations may be resumed as soon as possible."

Against tactics of this sort the only antidote is stern action,—and not necessarily by armed force. To wage this war of invasion in China, Japan must sell her goods abroad. If Britain and the United States for once come to an understanding, they should have little difficulty in bringing power-drunk Japanese generals to the path of disciplined righteousness.

A. L.

Is the Soviet Red Army Ready for War—Despite Purges

By a Russian Correspondent (not Red)

RELATIONS between Japan and the Soviet Union have again become tense following a series of border incidents, which in seriousness appear to exceed anything within these several years. It is still a question whether the present clash will develop into open warfare or whether the tension will blow over with some loss of face for either one or both of the disputants. It was not thought at the beginning that the Soviet leaders would be likely to speed up matters to an irretrievable end, because every argument indicated that any Soviet provocation of war at this particular moment appeared to be unlikely, or at least untimely.

Chinese resistance to Japanese invasion appears in no way weakened, although the Japanese are pounding at the gateway to the South-western Provinces. Determination to fight to a bitter end is still apparent on the part of both Government and people. Japanese attempts to set up puppet administrations in occupied areas have not met with any appreciable success, as the authority of these administrations does not go beyond the barricades actually held by Japanese garrisons. All "occupied zones" are held by guerrillas, bandits or riff-raff, all bent on shortening the tenure of Japanese and their puppets.

The economic stamina of provinces controlled by the Central Government is still strong and few indeed are the signs of impending collapse of finances or economic resources. The Government recently completed the Yunnan-Burma highway and is rapidly developing other highways leading both to Indo-China and the U.S.S.R., so that the inflow of war supplies appears to be assured so long as the Chinese Government continues to hold a fat purse.

After a year of punishment, China's armies have learned the art fighting the Japanese, and the Government has set up a comprehensive plan assuring continued replenishment of manpower and armament. Chinese military leaders appear to have learned how to plan things themselves, instead of hoping for outside assistance. They have learned to act with vision for the future.

To invite a Japanese attack on Russia as this time of year—in summer—would be foolhardy, inasmuch as the Japanese would now be in a position to use the full force of their Navy and its aerial arm. This is something which serious thinking Soviet leaders would like to keep at an arm's length. A summer campaign is not desirable for Russia from any point of view: Firstly, because the Siberian coast, in summer, is at the mercy of the Japanese Navy, which would proceed with landing operations far behind the Red Army front in order to divert Soviet forces to minor fronts. Ataman Semenoff, the old Cossack renegade, now residing at Dairen and claiming leadership over all White Russians in Japanese occupied territories of China (for which he has no authority whatever) may be expected to emerge from retirement as the "liberator" of Russia, directly assisting the Japanese in their operations on Russian soil. Secondly, the Japanese Army is at its best in summer and would strive hard to effect a decision before the advent of winter, at least to the extent of isolating Vladivostok from the main body of General Vassili Blucher's Army.

Also one should not overlook the fact that, at this time of year, field work in Russia is proceeding apace and any diversion of the population by mobilization would likely have serious repercussions on harvesting crops. Soviet leaders would certainly forgo this factor only in case of extreme necessity.

If the initiative of war belonged to the Soviets, as is surmised in certain quarters, then it is obvious that the Red leaders would like to have it on their own terms, at the time most suited for their armed forces—in winter. Then the Russian coast is frozen and the Japanese Navy becomes useless, a factor which cannot be overlooked when discussing a Soviet-Japanese war.

Thus, there is no pressing necessity for Russians to speed up matteres at this particular time as postponement for a few months longer would be to their advantage while Japan would become progressively weakened in her war with China, where she is trying to digest the indigestible.

In any case, a general Soviet-Japanese war now appears to be inevitable, and only a question of time. Having suffered so many indignities at the hands of Japanese, the Russians assuredly will not let them get away with a conquered China and the opportunity to strike at a moment of their own choosing.

How about Russian hitting power? Has it really been weakened—as we are told—by the relentless purges of which we are all too familiar?

It is obvious that for a non-Communist, it is dangerous to venture an opinion on this highly debatable question. But from what has been reported in the press it appears certain that the purges have affected mainly the Party and non-fighting services. In particular reference to the situation in the Soviet Far East, it seems that the Red Army and Navy have not suffered much from these purges. At any rate, the list of victims of the most recent purge in Eastern Siberia, which took place just before General Lushkoff's flight to "Manchukuo," did not contain a single member of the Army or Navy. According to this list, the following persons were "liquidated" :—

Members of the C.E.C. of the Soviet Far East

M. P. Volsky (chairman), G. M. Krutoff (ex-chairman), E. B. Lebedev (deputy chairman), P. I. Liamin (chairman of the Amur Provincial C.E.C.), M. D. Shreyder (chief of the Medical Department), M. M. Nabliansky (chief of the Trade Department), I. G. Petrov (chairman of the C.E.C. of Maritime Province).

Members of the O.G.P.U.

S. I. Sapadni (vice-chief), Y. C. Visel (chief of the secion in Maritime Province).

Communist Party Officials

E. B. Kaplan (deputy secretary), G. S. Vinogradoff (secretary, Habarovsk section), B. G. Bekker, P. T. Fedin, A. N. Sennoff and P. M. Tanigin (secretaries, Vladivostok section), Y. A. Danilov (former secretary, Vladivostok section).

Other Functionaries

A. B. Sheyer, editor of the *Trans-Pacific Star*.
V. A. Vedensky, member of the State Planning Commission.
P. B. Krapotnitsky, chairman of the Fishery Cooperative.

It may be that the list is incomplete. In any case, it is certain that Stalin's axe has fallen heavily upon civilian functionaries as the parties most likely to be influenced by oppositionist ideas. Having lost his most trusted lieutenants, S. I. Sapadni and Y. C. Visel, high O.G.P.U. officials, General Lushkoff had good reason to seek refuge abroad, thus augmenting the rapidly increasing "new colony" of Soviet political *emigres* of the "latest formation."

Recent purges in Soviet Russia, General Lushkoff explained as being due to Stalin's desire to replace the dictatorship of the Communist Party by that of his own, in the manner of the ancient Russian despots. Lushkoff said that by dint of relentless purges Stalin had "beheaded" the Communist Party which thus become virtually non-existent. The statement deserves closest possible study because in the face of recent developments in Russia it appears to be only partially true. In eliminating his life-long associates. Stalin has relied mostly on younger functionaries whom he steadfastly brought forward. Old party members of the Lenin-Trotsky formation appeared not to have appreciated Stalin's doctrine of "socialism in one country" and possibly resented or even opposed some phases of Stalin's internal or external policies, finally throwing their lot either with the left or right opposition (headed by Trotsky or Bukharin-Rykoff's groups, respectively).

Having once propounded the doctrine of "socialistic fatherland," it was only a step forward to proselyte patriotism in the ordinary sense, namely, by cultivating love for Russia and her past, something which was complete taboo up to a year ago. For instance, according to Soviet press reports, the Soviet State Film Organization is working on two films of outstanding importance: One depicts the life and exploits of Saint Alexander Nevsky, liberator of Russia from the Tartar Yoke and, the other exploits Prince Pojarsky and Minin, the merchant, liberators of Moscow from the Polish occupation in 1613 and both instrumental in founding the Romanoff Dynasty in the same year.

The purges appear not to have touched the masses, either. They have been confined to party members and officialdom. And it may be surmised that the self-destruction of the Communist Party through these frequent and bloody purges may have been welcomed by the population, which never had any love for Communists or their methods. Stalin's dogma of "socialistic fatherland" and with that the cultivation of Russian patriotism should win the sympathy of the population at large, in which case Stalin and his henchmen may rely not only on a group of Communists, who, as said, have just replaced the old Bolsheviks, but on the support of the people at large. Especially dear to the heart of the people must have been the execution of the notorious leaders of the O.G.P.U. (as Yagoda, for instance), who have been identified with the Soviet regime since its inception.

In the face of an external threat to Russia, the policy of seeking support of the masses will be recognized as very statesmanlike. Stalin strives to weld the people and the Red Army together and, at the same time, consolidate his own power. It may be surmised that the policy of "befriending" the people will be enhanced still further as the threat of war grows greater. From a national standpoint it is clearly desirable that this development will be extended still further as victories over the Japanese or any other enemy would depend upon unity of the people with its government. It is therefore likely to expect that with the first roar of the guns of the Soviet-Japanese war, which now appears to be inevitable, very great changes may take place in Russia, the signs of which are discernible even now.

With One War Deadlocked and A New One Starting, Konoye Plans Another Cabinet Shuffle

WITH one war deadlocked on the Yangtsze and another starting with the Soviets on the Siberian-Manchurian-Korean border, Japan's warlord-dominated Cabinet is desperately trying to consolidate its precarious position in the face of the double crisis. Premier Prince Konoye has announced plans for another fundamental reform of his administration!

Following a series of discussions conducted at a recent Five-Minister Conference and individual talks between himself and various Cabinet Ministers, Prince Konoye evolved a tentative plan containing the following points :

1. Reform of the administrative structure, including the Cabinet system.
2. Adjustment of border affairs between Japan, Manchukuo and Soviet Russia.
3. Adjustment of relations between Japan and Great Britain in connection with the China Question.
4. Questions of domestic administration.

The reform of the administrative structure calls for the creation of more Cabinet Ministers without portfolio. This is designed to remedy the present evil of various Ministries trying to maintain "spheres of influence," which have proved an insurmountable obstacle to formulation of unified national policy. Prince Konoye tried various expedients in an attempt to eliminate these evils, such as the creation of a "Five-Minister Conference," institution of conversations between the Premier and interested Cabinet Ministers and the dual appointments of S. Ikeda as Finance and Industry and Commerce Minister and Gen. Ugaki as Foreign and Overseas Minister. But he found his efforts to be ineffective. Now, in a further attempt to secure better inter-ministerial co-operation, he is trying to create three more Ministers without portfolio to assist in the conduct of state affairs.

The plan also demands reorganization and enlarge-

ment of the Cabinet's intelligence department and the socalled "League for the Spiritual Mobilization of the Nation." At present, the Japanese Government has its Cabinet intelligence office, while the Foreign, War and Navy Offices each have their own intellgience departments. There are also the press offices in the War and Navy Ministries, all of which operate independently and without any effective liason. In order to unify these organs, it is proposed to create a "Ministry of Propaganda" patterned after Germany's Propaganda Ministry.

With reference to the "Central League for the Spiritual Mobilization of the Nation," Prince Konoye desires to maintain control and have it attached directly to his Cabinet. His argument is that the League would not be satisfactory, so long as it remained outside the Cabinet.

As to the adjustment of border affairs between Japan, Manchukuo and Soviet Union, Prince Konoye showed undisguised anxiety for an immediate and peaceful settlement of the dangerous Changkufeng incident. Although he talked about Japan's readiness to take "fundamental" measures to prevent similar incidents in the future, he desired the present trouble settled in a fair manner. He proposed the creation of a border demarcation committee to define definitely the boundary between "Manchukuo" and Soviet Russia as a fundamental means of avoiding future border misunderstandings.

Referring to relations between Japan and Great Britain in connection with China, Prince Konoye said that although relations between the two countries have been impaired to a large extent, the British have how come to recognize the real power of the Japanese Empire in Eastern Asia and have suggested the institution of Anglo-Japanese conversations for a settlement of various questions on the spot. On the basis of alleged British suggestions, conversations are now under way between the British Ambassador at Tokyo and the Japanese Foreign Office. In the opinion of Prince Konoye, the British have practically yielded to Japanese pressure.

Finally on the question of domestic administration, another Domestic Administration Conference is to be summoned to discuss measures for rehabilitation of areas devastated by recent floods and for the reform and enlargement of the "Central League of Spiritual Mobilization."

The reforms proposed by Prince Konoye illustrate the wretched internal situation in Japan and its equally deplorable relations with foreign countries. Petty politics within the Cabinet have so far prevented various Ministers reaching an agreement on national policy. With the situation on the Manchurian border becoming more and more critical and the ever present danger of an attack from the air by the Soviets, internal instability might easily precipiate a major crisis leading eventually to revolution!

The so-called "China Affairs Bureau" problem which precipiated a Cabinet crisis last May resulting in the elimination of Foreign Minister Koki Hirota is still a source of trouble among Cabinet members. The matter was again discussed at a meeting of the "Inner Cabinet" of five Ministers on Tuesday, but the result was not announced. Tokyo *Nichi Nichi* predicted that the Bureau, if established, would probably be headed by either Prince Konoye or Foreign Minister Gen. Ugaki.

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The Kobe office of the Peiping "Provisional Government" was opened on Monday with one Wang Shou-shan as its head.

Chinese reports alleged that Maj.-Gen. Doihara, Japan's arch spy and conspirator, whose troops met defeat at the hands of the Chinese in vicinity of Kaifeng in the latter part of May, is now in Shanghai on a new mission of intrigue. He is said to be conferring with representatives of the Nanking and Peiping regimes on the question of their amalgamation. It is also reported that he is trying to induce the two puppet regimes to issue another appeal to the Chinese people for cessation of hostilities.

In response to summons of local Japanese military, Chen Lu, Nanking's Foreign Minister, has come to Shanghai to seek foreign mediation in the Sino-Japanese war and to organize pro-Japanese traitors to create disturbances in interior provinces.

Jen Yuan-tao, so-called Minister of Pacification and Mayor of Nanking, allegedly was seriously wounded during the recent bombing incident in Nanking. Jen was immediately rushed to Shanghai for treatment at a Japanese hospital in Hongkew. The bombing incident caused consternation among puppet officials, most of whom hurried back Shanghai for security in the New Asia Hotel in Hongkew.

The roll of puppet officials at Nanking was augumented by two new appointments on Monday, when *Domei* announced that Kiang Hung-chieh and Yu Paohsien were installed as Minister and Vice-Minister of Communications of the "Renovation" Government. Previously, the post of Minister of Communications was held concurrently by Liang Hung-chih, "Executive Yuan" President. Kiang was formerly a Chinese Charge d'Affaires in Tokyo, while Yu official in the Ministry of Communications in Peking.

Wong Sui-kai, head of the puppet Chekiang administration, is visiting in Nanking to submit a report to the "Reformed" Government on conditions in Japanese occupied areas in Chekiang.

The latest device to extort money from destitute Chinese residents in Hangchow is a new tax, called a "registration fee" on commercial commodities arriving at or leaving the city. Payment of the fee is required on both domestic goods and imported commodities, irrespective of the nationality of the owners.

Li Chien-nan, completely unknown until the Japanese raised him from obscurity and made him Superintendent of the Shanghai Customs, has been transferred to Anhwei as Finance Commissioner in newly organized puppet Anhwei Provincial Government, according to report. Lin Chi-hung has been made Education Commissioner of Anhwei. The Anhwei regime is headed by Nieh Tao-liang, son of a former Anhwei warlord, Nieh Shih-chung.

In an attempt to expand his power over the districts formerly under the jurisdiction of Greater Shanghai City Government, "Mayor" Soo Hsi-wen, has divided the Shanghai area into the following 12 districts: Civic Center, Chapei, West Shanghai, Nantao, South Pootung, North Pootung, Paoshan, Kating, Peichiao, Nanwei, Chuansha and Fenghsien.

Japanese reports alleged that the Shanghai branch of the San Min Chu I Youth Corps organized by General Chiang Kai-shek has been formed under the leadership of Tao Pei-chuan, former member of the Shanghai Kuomintang Headquarters. It is further stated that the Chinese authorities have decided to intensify the organization of young people in Japanese occupied areas into the San Min Chu I Youth Corps.

The "Peace Maintenance Committee" in Quinsan, on the Shanghai-Nanking Railway, created by the Japanese after their occupation of the city, was abolished on July 5 and replaced by a Hsien Government with one Wang Yu-chih as "Magistrate," according to Chinese arrivals from that city in Shanghai.

An American traveller who recently arrived at Hankow after a three-week trip in North China declared that although the Japanese have occupied the Tientsin-Peiping area, the Chinese people there, from the intellectuals to the common masses, are unswervingly loyal to the Central Government.

Japanese papers claimed that the Seventh National Congress of Chinese communists is now in session at Sian, Shensi, having opened on August 1. In addition

to Chinese Communist leaders, a number of Communists from Soviet Russia are attending the conference. Japanese papers said that the Congress is not only of great significance to Chinese politics but also to present Sino-Japanese hostilities. As early as December, 1937, it was further alleged, Chinese Communists decided to convene a National Congress. It was not until March this year that decisions were reached regarding the opening of the 7th Congress this month. In March, they discussed the following problems: 1. How to carry on armed resistance against Japan and how to obtain final victory; and second, preparatory works for the 7th National Congress of the Chinese Communist Party. The report was carried in the Japanese controlled Chinese-language paper, *Sin Shun Pao*, but none of the other papers printed anything about the alleged congress; hence, it is impossible to verify the truth of the report.

The Japanese papers are disseminating rumors concerning conflict between the Nationalist Government and the Communist Party over the question of defending Hankow. Tokyo *Yomiuri* stated that the Nationalist leaders were undecided whether to defend Hankow or withdraw to southwestern China.

The National Government ordered General Ho Ying-chin, War Minister, to Canton to direct and co-ordinate the defences of South China against Japanese invasion. Gen. Ho, who is particularly familiar with the topography in that part of the country, is expected to arrive at Canton in a week.

After penetrating Japanese front lines, Gen. Lu Chung-lin, new Chairman of Hopei, has arrived at "somewhere" in Hopei and assumed office, according to a report received at Hankow. Gen Lu declared he would shortly cross the Yellow River "in order to lead the people of Hopei in recovering lost territory."

In commemoration of the fall of Nanking on Dec. 14 last year, the 14th day of every month will hereafter be observed as a day of humiliation according to an order issued by the National Government.

Decision of the Central Government to abolish the Hankow offices of the various National Government organs was explained by Wang Ching-wei, Deputy *Tsung Tsai* of the Kuomintang, in a statement issued on Monday. First, abolition of these offices was designed to strengthen the leadership of the Central Authorities over the entire country in order to concentrate energy and increase administrative efficiency. The defence of the Wuhan area would be attended by the responsible military authorities and would not be affected by the move. Secondly, with the abolition of the various civil organs, unification of military command in the Wuhan area would be facilitated and efficiency of its defence enhanced. Thirdly, the action was meant to serve as a warning to the civilian population in the Wuhan Area to evacuate it as soon as possible in order to avoid unnecessary sacrifices as a result of indiscriminate bombing by Japanese planes.

That officials holding concurrent posts should receive no extra pay under any pretext whatsoever was urged by Gen. Chiang Kai-shek, in his capacity as President of the Supreme National Council, in a message to Yeh Chu-tsang and Tseng Chung-min, Secretary-General and Deputy Secretary-General of the Council. The measage instructs that detailed measures to prevent the practice be devised.

In a circular message, Gen. Chiang appealed to the people to practice thrift in order to preserve the strength of the country. Government and Party officials especially should observe the virtue of thrift, so as to set a worthy example to the people.

Military officers and public functionaries who, in the performance of their wartime duties, commit graft, fraud or any other crimes endangering the welfare of the people and the nation will be shot or given imprisonment ranging from ten years to life, according to a recent order issued by the National Government.

Dr. Wang Chung-hui, Foreign Minister, arrived at Chungking (July 29) from Hankow by airplane. He announced he would report to Chairman Lin Sen of the National Government on foreign affairs.

Nelson T. Johnson, the American Ambassador, left Hankow for Chungking, on Teusday aboard the U.S.S. *Luzon*. The Soviet Ambassador, Luganets-Orelsky, was due to arrive at Chungking before the week end. Meanwhile, the Italian and French Ambassadors were also planning to transfer their offices from Hankow to Chungking.

After a brief visit in Kweilin, Kwangsi capital, Sir Archibald Clark Kerr, arrived at Wuchow, Kwangsi port on Monday en route to Hongkong. Sir Archbald, who recently visited Hankow, travelled by motor car from Changsha, Hunan to Kwangsi.

Dr. Weng Wen-hao, Minister of Economics and Chin Fen, Political Vice-Minister, arrived at Chungking from Hankow by airplane July 30 to inspect affairs of the Ministry.

Gen. Lung Yun, Chairman of Yunnan, who recently visited Hankow and Chengtu returned to Kunming, capital of Yunnan, July 31. In a press interview, Gen. Lung said that during his visit to Hankow, he conferred at length with Gen. Chiang Kai-shek and was deeply impressed by the perfect harmony and co-operation prevailing among all ranks, official or unofficial, regardless of their political convictions.

PLUCKING THE JAPANESE FALCON

Ken Magazine, Chicago.

The Tinder-Box at Changkufeng

THIS week, the eyes of the world shifted from a spot on the Yangtsze river, somewhere below Hankow, where Chinese and Japanese troops were locked in battle, to a heretofore unheard of dot on the Siberian-Manchurian border, and as the world did so, everyone from the man-in-the-street to highest officials in governments began propounding questions. They asked:

Is this the beginning of a major war between Russia and Japan?

Who is provoking these dangerous incidents, Russia or Japan?

Is Russia ready to fight?

Will and can Japan fight the Soviets and the Chinese at one and the same time?

Does Russia really want to fight, or does she merely want to annoy Japan in order to divert her attention from the China war?

These were the questions, and many were the answers. But no man could accurately say what was happening, or what would happen. The only yardstick by which to measure the seriousness of the new incidents, perhaps more alarming than countless others that have arisen on the border in the last seven years, was by the flood of reports which streamed out of Tokyo, the meager accounts released by Moscow.

Tokyo was first to tell the world of the recapture of Changkufeng, the disputed territory occupied by the Soviets last week, and the occupation of Shatsaoping by Japanese and their Manchurian troops. But Moscow took a full day to admit this loss and the penetration by Japanese into two and one-half miles of their territory. And the world waited for Soviet retaliation.

Then, on August 1, Soviet heavy bombers invaded Korea and attacked railways near the strategically-important twin ports of Yuki and Rashin, and at the same time, carried out raids against Japanese poistions on Changkufeng. But what ired Japan was the bombing of Korean tracks near Zensojo, south of Kogi, and a railway bridge at Keiko, on the Tumen river. Japan's foreign office bluntly said: "Korea does not figure in this dispute."

But the Soviets must have thought otherwise, for on August 2, they carried out another air raid on Korea, bombing the village of Kojo. And on land, the Russians again launched a drive of Changkufeng and Shatsaoping, using one battalion of troops and nine tanks.

Moscow Talks

Other battles, however, had preceded these clashes. On August 2, Moscow began telling what happened on July 29. They answered Japanese claims of outstanding victories with this:

"After the Japanese detachment on July 29 was dislodged from the Bezymiannaya Hill which it has seized, the Japanese concentrated troops, up to one division is strength, in front of the Zaozernaya (Changkufeng) Hill located in the Soviet territory). In the night of July 31, at three o'clock, Japanese troops under the cover of artillery fire, suddenly attacked the Soviet frontier patrol and pushed it back from the Zaozernaya Hill.

"Simultaneously, Japanese artillery started shelling the neighboring heights and the country road passing behind them, in order to hinder the arrival of Soviet reinforcements. With the assistance of artillery, the Japanese infantry succeeded in advancing up to four kilometers into Soviet territory. Several hours later, Soviet regular troops which have arrived, forced the Japanese out of Soviet territory. There were wounded and killed on both sides. The number of killed and wounded among the Japanese reached 400.

"The Japanese have left on the Soviet territory five artillery pieces, fourteen machine-guns, one hundred and fifty seven rifles with cartridges. Soviet casualties are fifty-five wounded the thirteen killed. Besides, one Soviet tank and one artillery piece were disabled. It is assumed that one Soviet flier who had descended with a parachute from a scouting plane, fell into the hands of the Japanese. Before the Japanese invasion, as also during the fighting, the Soviet troops did not for a single time violate the Manchurian frontier, thus depriving themselves of the possibility to surround or outflank the Japanese usurpers."

And Tokyo Answers

But Tokyo pooh-poohed Russia's claims and became more braggadocio. A Foreign Office spokesman told *Reuter* on the night of August 2, "A war between Russia and Japan would not result in relaxation of the Japnaese campaign in China, as Japan did not intend to swerve from her determination to crush General Chiang Kai-shek." But, as the spokesman said this, Chinese reports from Sian said that in four days, more than 20,000 Japanese troops passed through Tientsin from various parts of North China en route to Manchuria to reinforce the Japanese Kwantung Army. The Chinese said that large number of transports loaded with Japanese reinforcements were bound for Manchuria.

Asked whether he could frankly state whether the August 1 Soviet air-raids meant peace or war, the spokesman said: "The chances are 50-50. Everything depends on the Soviet. We want to localize the affair, and we are maintaining a non-provocative attitude as far as possible, but there are limits to our patience."

The spokesman claimed that no Japanese airplanes went up to engage the Soviet raiders. He said that Japanese anti-aircraft guns were responsible for the five Soviet machines that were brought down.

But that Japan is becoming genuinely alarmed over the possibility of a major clash with Russia, is seen in the precautions she is ordering in her homeland. A light control program in accordance with air defense regulations went into effect on the night of August 1 in certain parts of Fukuoka Prefecture, Kyushu. Anti-air raid drills were ordered for an unspecified period by the air defense department of the prefectural government. The Tokyo government also is viewing with alarm, and many a cabinet session since July 31 has lasted until the wee hours of the morning while War Minister Itagaki and Foreign Minister Ugaki have discussed the situation with their colleagues.

The Press (all but Japan) Comments

Japan's press, under the heel of the military government, has been ordered to publish only official military reports on the border situation, and to refrain from any editorial comment. But the Chinese press in Shanghai has been offering considerable speculation on the outcome of the Russo-Japanese clash.

The *Standard*, commenting on the incident, declared that the minor border clashes are likely to lead to a major conflict, just as the "Lukouchiao Incident" has led to the present Sino-Japanese war, or the incident at Serajevo to the last European war. The Sino-Japanese war, the editorial said, has been caused by the ambitions of the Japanese military on the one hand, and the irrepressible national feelings of the Chinese people on the other. Although efforts were made to prevent the present war, all such efforts were nullified by the inherent causes which have led to war.

The *Morning Leader* declared that the possibility of a Soviet-Japanese war depends largely upon the international situation, but the recent border incidents need not necessarily result in an immediate major Soviet-Japanese conflict, for there is still room for retreat, and the situation is in a state of flux. But, the editorial added, as Japan is being dominated by militarists, the possibility of Japan restraining herself is small indeed, and hence everything rests upon Japan, which must assume the responsibility for provoking a Russso Japanese war, the editorial concluded.

It does not seem likely, however, declared The *News Digest*, that Japan, being embroiled in the war in China, would pick on Soviet Russia at the same time. However, the editorial said, there are not lacking Japanese military elements who would provoke a conflict with Soviet Russia in order to consolidate their own positions, and in that case, the minor border incidents are fraught with the possibility of major hostilities.

London, however, is optimistic over the outcome of the border clashes. The *London Times* considers that at time moment all the Soviets aim at is to prevent the withdrawal of Japanese troops from the Manchuria border for use in operations around Hankow. The *Daily Telegraph* thinks also that there is no necessity to reckon with the development of a war out of the frontier engagements, but at the same time is of the opinion that the present conflict is far more serious than all previous episodes that have occurred so frequently in recent years along the Far Eastern Frontiers.

The Paris press agrees with London that neither Moscow or Tokyo will desire that the present tension would degenerate into a still more serious conflict. In Paris political cirlces the events are, it is true, regarded as very grave but the view nevertheless prevails that they are of but too local a nature to become the starting point of a great Soviet Russian-Japanese conflict.

Al Israel Found Dead Here

Albert Jason Israel, [illegible], a native of California and for many years a partner in Del M[illegible]te's Cabaret, one of Shanghai's oldest night spots, was found shot dead in his bedroom at the cabaret in the early hours of August 3. A bullet fired from a .32 revolver had penetrated the right lower lip near the corner of the mouth and came out the back of his neck. Knicks from another bullet were found on the leg of a table standing in front of the body. No powder burns were found on his face.

The body was found by Thurman Hyde, brother-in-law and partner of the deceased.

Shipping Companies May Raise Freight Charges

Increased freight charges are expected to be announced in the near future by the local foreign shipping companies becuaes of an increase in the cost of fuel, *Domei* reported July 29. A decision in this regard was reached at a recent meeting of representatives of these firms, but now much the increase will be and when it will be effective have not yet seen decided, according to the reports.

Messrs. Butterfield & Swire and Jardine, Matheson & Co., the two leading British firms, are not expected to participate in the raising of freight charges as they have raised their rates by 15 per cent already, the reports. said

Moscow Views Japan's Aggression*

WITH their superior, modern weapons, the Japanese army is now forcing its way into the interior of China. Vast territories have been devastated, yet the Japanese army commanders have never become, truly and positively, as they boasted in their reports to Tokyo, the owner of the "conquered" territories. They have occupied numerous towns and villages, but they are besieged by an unseen but exceedingly destructive enemy. At their rear and flanks, there are Chinese guerillas, who often make bold attacks on the Japanese troops and sometimes break up their positions. Every conscientious Chinese is now dead against the Japanese for their aggression and as a result, the Japanese military command has to increase the number of the Japanese troops in China, and to institute strong garrisons along the railways and motor-roads and in the important strategical points in the occupied areas.

Every month of the war shows that the Japanese cannot keep the five provinces in North China and the area between Chekiang and Kiangsu under control. Not only so, the Japanese cannot but also doubt whether they can hold firmly in their hands Manchuria and Inner Mongolia. In Manchuria, although the Japanese have organized a most up-to-date army, there is still a strong force of anti-Japanese volunteers in the mountains, which is ever-increasing in strength. The stubborness of peasants in opposing the invaders is also daily increasing; for the peasants deeply resent the oppression of the Japanese and long to be united with the rest of China.

Not long ago, in order to keep the Manchurians under control, the Japanese Government decided to send 30,000 ex-servicemen as colonists to Manchuria. These men were to be housed in camps, trained how to live in Manchuria and how to fight against the people, but never taught how to develop the land. This colonization policy is one of the methods of the Japanese to increase their strength in Manchuria. However, like the other methods they have adopted, this fails to bear fruit.

In the British papers, we have found reports of "Manchukuoan soldiers" reverting their allegiance to China. In Jehol and Charhar, many Manchukuoan soldiers murdered their Japanese officers and re-joined the Chinese army. Between August and September, 1937, several such revolts took place in Mukden itself. In all, as many as 30,000 soldiers participated, and in a fierce struggle, more than a hundred Japanese officers were killed. This movement has now spread to the north of Manchuria.

Korea Going Anti-Japanese

In Korea, strong anti-Japanese forces are also gathering strength. In his report to Tokyo, Minami, the Japanese Governor-General of Korea, warned the Japanese Government against the danger of sending the troops away to China. He said that the strength of merely two divisions was not enough to prevent the uprising of the Koreans. The heroic resistance of the Chinese people against Japanese aggression has given a new impetus to the national liberation movement in Korea. At present, the peasants and the educated classes in Korea are standing on a united front against Japan.

According to the Chinese press, the Korean Patriotic Women's League recently sent a letter together with a fund to Madame Chiang Kai-shek. In this letter, there were these words: "Korean young women send their money for the relief of the Chinese people because they know that the resistance of the Chinese people will not only ensure China's final victory but also enable the Koreans to rid themselves of Japanese oppression."

The Japnaese militarists do their best to conceal the actual losses incurred in the war. The whole country is full of "patriotic, anti-foreign" ideas. In the daily papers, only news of the victories of the "Imperial Army" can be found. The Japanese militarists impose an extremely strict censorship on the press in the country, and severely punish those people who take part in the anti-war movement. No criticism against the Fighting Services, no comments on the present wra with China, and no accurate reports on the conditions at the war front may be published in Japan.

To conceal the actual military losses is an item of the regular work of the Japanese command office. The soldiers killed or wounded in the present war were transported to Korea. But as the loss is so heavy it cannot be kept entirely a secret. According to Japanese newspapers, all the Red Cross Hospitals in Japan have been converted into hospitals for wounded soldiers and are no longer open to the general public. Besides, nearly 30,000 nurses have been despatched to China to work in the battle-fronts. The Japanese press also gave out that the Japanese police had discovered anti-war pamphlets not only in Tokyo but also in other large cities. These pamphlets were mostly in the form of letters addressed to the soldiers now on the front and their families at home, appealing to them to oppose war.

RUSSIANS TOLD TO CHEER FOR THE JAPANESE ARMY!

This picture, taken at a White Russian school in Tientsin, was headed, "White Russian Colony Cheers Japanese Army." The picture appeared in a Japanese propaganda booklet circulated in the United States.

Clamp Down on Leftists

The Japanese gendarmes are most active in the suppression of radical anti-war elements in the factories, particularly in the munition factories. Whenever an active Leftist organization of industrial workers is found, there the iron claw of the Government is sure to fall. When Kikuchi, one of the leaders of the Tokyo Transportation Workers League, was arrested, the police authorities issued a statement, saying that Kikuchi had gathered together thirty workmen to study Leftist literature. "Such organization may be regarded as a form of the struggle under the auspices of the Popular Front, a thing which is forbidden in Japan." The ruling classes in Japan are most afraid of the Popular Front as it is able not only to undermine the Fascist influence but also to shatter the adventurist policy of Japanese imperialists.

The same severe suppression is applied to the literary writers and the intelligentsia, although they have no party colours nor belong to the Leftist revolutionary groups. To quote an instance Professor Ogihara was accused by the Japanese Gendarmerie as criticizing the heroic deeds of the Imperial Army and endangering social order when he published a liberal article dealing with an abstract theme in a noted magazine in Japan, in which he ventured some remarks on the inadvisability of military action. In the end, Professor Ogihara had to admit that his pacifist views were "unsuitable to the present conditions" and was compelled to resign his post.

Some time between July and August last year, the Japanese Government told the Japanese bourgeoisie that the vast sum of money spent in the present war would be got back as soon as the

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* *from Pravda, Moscow*

Fighting on Yangtsze Lags; Japanese Raid Hankow

China war news this week took secondary position to the flare-up on the Siberian-Manchurian border for two reasons. One was that the Russo-Japanese clash contained more potential dynamite for the world that the Yangtsze battle. The other was that fighting along the Yangtsze had reached a virtual statemate, with the Japanese making little progress in their drive on Hankow.

On August 1, Japanese troops had captured Susung, and at this point they began their drive towards Hankow, entering East Hupeh and capturing Huangmei, 15 miles southwest of Susung.

Handle with care—Chinese railway employes at Canton removing an unexploded Japanese airbomb from the tracks of the Canton-Hankow railway tracks.

The Chinese command is rushing well-known fighting units, commanded by generals who distinguished themselves in the fighting in South Shantung, to strengthen the Chinese defense force on the north bank of the Yangtsze.

A Chinese military communique, detailing the circumstances of the Chinese withdrawal from Susung, stated :--

"The main body of the Japanese forces, located to the northeast of Shungye and Susung, launched a general offensive on the Chinese positions at Susung. The Chinese' forces withdrew from Susung, and are at present holding positions in the hills near the Erhlang River, to the northwest of Susung. Japanese casualties in the fighting for Susung probably totaled above two detachments.

"Beginning on July 31, the Chinese forces attacked the Japanese at Tsienshan, thereby exerting pressure on the Japanese at Taihu."

No change in the military situation on the south bank of the Yangtsze was reported August 1. The Chinese troops are said still to be holding their positions along the Lushan Range, running from the west bank of the Poyang Lake to the vicinity of Singtze, westward to Shaho, situated on the Kiukiang-Nanchang Railway south of Kiukiang.

The Wuhu garrison headquarters hopes to mobilize 200,000 civilians for the defense of the Hankow area, at least 30,000 of whom will participate in the Self Defense Corps. Of the 66,000 wharf and ricksha coolies, 6,000 will join the Self Defense Corps, while 60,000 will join the Transportation Corps. A total of 695 organizations have already registered for work, including agricultural, labor, trade, cultural, educational, social, professional and women's bodies.

On August 3, 28 Japanese planes raided the Hankow airdrome without meeting resistance from Chinese pursuit planes or anti-aircraft fire. The first attack on the airfield appeared to have done considerable damage to runways. Whether any Chinese planes had been destroyed could not be learned immediately. The second batch of 40 bombs dropped over the airfield appeared to go wide of their mark and hit in a densely populated residential area where casualties were believed heavy.

Alarm Sounded

Hankow residents were warned of the approach of the Japanese bombers by an air raid alarm. Streets were cleared quickly and Red Cross units and volunteer police took up their posts before the Japanese planes reached the city. Foreign military experts in Hankow declined to speculate on the reason for the lack of anti-aircraft fire. The Japanese planes flew at a high latitude, but no higher than on previous raids when they drew terrific fire from the large batteries of local anti-aircraft guns. Observers also were surprised by the absence of Chinese pursuit planes which had appeared over the city during false raid alarms during the past week.

Later reports, however, said the Japanese planes had evaded a squadron of Chinese pursuit planes while approaching Hankow. The Chinese were understood to have been outnumbered and were not believed to have attacked the invading planes. The Japanese bombers also attacked Chinese defense position along the Han River dikes which are protecting Hankow from the swollen river. Railway approaches to Hankow and nearby warehouses also were bombed, Factories in the northern suburbs were attacked. Observers regarded the attack on the northern suburbs and the southren Pinghan Railway significant since Soviet supplies are believed to enter Hankow over that route.

On July 30, Japanese claimed that almost the entire stretch of tracks of the Kiukiang-Nanchang Railway from Kiukiang to Tehan were destroyed by Chinese in an effort to check the Japanese drive toward Nanchang. And on the following day, the War-time Relief Commission at Hankow appropriated $100,000 for the evacuation of war refugees from Nanchang and Kuling. It is estimated that there are more than 100,000 refugese in the two cities.

Three Chinese gunboats, operating on the Yangtsze above Kiukiang, were disabled by Japanese naval air raids July 31, the Japanese-China Seas Fleet command reported. The gunboats, the announcement said, were "either set on fire or caused to run aground." In addition one small Chinese steamer was blown up, while more than 10 junks were claimed having been sunk.

Chinese Guerillas Driving Towards Shanghai

Chinese guerillas operating in the areas adjoining Shanghai are ready to launch a major drive around August 13, the first anniversary of the Shanghai hostilities, according to Chinese reports. Chinese regular troops in northern Kiangsu are stated to have invaded the areas along the Nanking-Shanghai Railway to join hands with the guerillas. Numbering 500,000 strong, these troops are now scattered in various villages and the suburbs of important railway towns on the railway line. Last week, it is reported, one regiment of troops belong the well known "Ironsides Army" commanded by General Chang Fah-kwei, launched a serious attack on Soochow in cooperation with the units of the 88th 66th Divisions at the Kwangfu area.

Gen. Li Ping-hsuan, believed to be commanding Chinese forces on the Anhwei-Kiangsu front.

In the Pootung area, the guerilla units under Ting Hsi-shan are said to have occupied Nanchiao, Sanlinchiao and Wangkiatu, forming semi-circle line around Tungchong Road, where most of the offices of the "Ta Tao Government" are located. Other mobile units, which have entered the Kaochiao area are stated to have effected a junction with the guerillas operating in Woosung, Quinsan, Kiating, Tsinpu and Nanziang.

Advancing Toward Shanghai

Chinese guerillas operating in the Taihu (lake) area are now advancing toward Soochow, Hangchow and Shanghai in three columns in collaboration with the newly organized 4th Route Army commanded by former Communist leaders, Chinese report. Minor clashes are reported to have occurred between the Japanese troops and the mobile units at various points on the Nanking-Shanghai and Shanghai-Hangchow Railways. Japanese reinforcements numbering 15,000 strong have been rushed to Soochow, Kashing, and other strategic towns on the two railways with a view to checking guerilla attacks. An artillery duel is still raging between the north

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A Chinese Explains Soviet Aid to China*

BY CHIEN PAH-TZUI (簡伯贊)

FOLLOWING the enlargement and penetration of Japanese imperialism in China and the determination and continuation of armed resistance on the part of Chinese government and people, the relationship between China and Soviet Russia has become more closely united on the principles of anti-aggression.

Undoubtly from the socialistic standpoint of view, Soviet Russia's support to China's struggle for freedom is her present historical mission, because it is only through victory in the struggle against aggression that socialism can strengthen her weight upon captialism, and speed its triumph. So fundamentally speaking, a victory in China's struggle for freedom may also be a victory for socialism. They are not two entirely different things, but the two sides of one historical mission.

The mission of socialism is still incomplete when it relieves only the oppression of a part of the people of the world; but it must continue to grasp and employ and possible situation to emancipate all the oppressed people of the world. Therefore, the victorious socialistic countries should employ the strength and power of the oppressed people all over the world to help the struggle for freedom of any other country. Lenin once said, "The self-determination of a country is the struggle for its freedom and complete independence. Every socialist must not refuse to help such kind of struggle—no matter what situation it takes, up to an armed outbreak or war—, if so, he is no longer a socialist."

Stalin also said, "Any country which desires peace and is in contact with us, shall have our assistance at any time." At present, the Chinese are fighting a war of resistance against the aggressor in the Far East. This is not only for the safeguarding of her national existence and her own freedom and happiness, but also a part of the work of the struggle for democracy and peace. As Lenin remarked, the struggle of China is not to be refused by socialists; also as Stalin noted, it is a kind of struggle that shall receive their assistance; and also as many others have said; to help China is Soviet Russia's duty.

Obviously, as shown by numerous facts, not only to China's war of resistance against Japan, but also to the struggle for freedom or against aggression of any country, as in the Abyssinian War and the Spanish Civil War, Russia either has given or is trying to give within her capacity, positive aids. Such assistance is without conditions or limits; it is the kind of assistance that will continue on until the ultimate victory in the struggle for freedom of the country is finally reached.

Social Changes

To support China in her resistance against Japan has been the unchanging platform of Soviet Russia; but the form and degree of her support are constantly changing, because society is rapidly developing; war again has hastened the changes in the development of society at the same time, the changes of society itself again influenced immediately those within its environment.

An earnest and sincere supporter of the struggle against aggression must keep in step with these rapid changes; otherwise, his "support" may become an "obstacle."

So Soviet Russia's assistance should never be based on China's own demand and hope only, and also not on Soviet Russia's capacity and wish, but rather on the development of China's resistance, the change in the trends of the international situation, and the united, though varying, conditions of the maximum limit of Soviet Russia's capacity in such objective environment.

Some people do not observe Soviet Russia in this light. They are dissatisfied with the form and degree of her assistance and even doubt that her assistance is sincere. But, in fact, Soviet Russia's support to China up to the present, has never stopped and has really strengthened in degree day by day. She has already motivated international labor to form a united boycott of Japanese goods, urged the leftist political parties of all countries to urge their governments to carry out economic sanctions against Japan, organized world opinion in an unanimous denunciation of Japan. She has also employed the power under the terms and collective system of the Nine-Power Treaty and the League of Nations to stop war-mad Japan. Also in practice, on account of the strengthening of her national defense in the Far East, more than 600,000 Japanese soldiers are withdrawn from active service in China.

If we do not consider these acts as assistance, because Russia has not yet mobilized her army against Japan, we are shutting our eyes to facts. In truth, to mobilize her army against Japan is only one form of assistance; if this form of assistance is carelessly adopted before it reaches the proper period, it will certainly produce a contrary result: instead of assisting China, she will isolate China in international relations, and divide China's power of resistance. Of course, this is not absolute. Soviet Russia's mobilization of her army against Japan will come when affairs reach a certain stage.

Secure Own Freedom

The fact that Soviet Russia hopes for China's freedom and is willing to help China to achieve this objective have been stated above. But what Soviet Russia hopes is that "China can free herself by her own effort, because only such freedom is a thorough one." Of course, when China has not yet attained such power, Soviet Russia is willing to help China to create such power. She deeply understands that the struggle for freedom of any country must be done by the country herself and must not be done by others.

Therefore, Soviet Russia hopes that through her assistance, China is made independent and not more dependent on her assistance. She hopes that China herself will produce and create the power from this war of resistance, and will strengthen it day by day so that China's dependence on friendly powers will be lessened even to the degree of complete independence. Only the power that is developed internally by itself in the struggle for freedom of any country is reliable. Soviet Russia is willing to help China to strengthen this power and make it organized, scientific and revolutionary so that it can shoulder the responsibility of freeing the country. Now, Soviet Russia has already seen what the Japanese militarists have encountered in China. They are not foreign volunteers, but the great mass of Chinese people; not the individual resistance of a certain general, but the resistance of all the people under the leadership of one high command; not only the few hundreds of thousands of regular

"EXCUSE NOISE, PLEEZE LADY!"

"FOR TWELVE DAYS, WITHOUT RESPITE, JAPANESE PLANES HAVE DUMPED DEATH AND DISTRUCTION INTO THE SWARMING STREETS AND TENEMENTS OF CANTON."
JAPAN
CIVILIZATION

From the N. Y. World-Telegram

* in the *Hua Mei Weekly*

armies, but also numerous guerillas lands formed by the people all over the country. This has fully displayed that China in her present struggle has developed a new and great power that will make the Japanese militarists shudder. This power is not a compelled and mob-like creation; it is united self-consciously, willingly, and automatically by the people on one common desire for the freedom of the country, and the political awakening of every citizen.

Meaning Cannot Be Changed

Some defeatists, up to the present, are still attempting to point out that the present war is an affair that really does not concern China. They consider that Japanese aggression is not an attack on China, but an attack on Soviet Russia. So China's war of resistance is not for her own freedom, but to fight the first battle for Soviet Russia. Evidently, these defeatists think that China needs no emancipation, and that the Chinese people are willing to be the slaves of Japanese militarists. They thought that Japan had treated China with good-will from the very beginning, and even if China is conquered by Japan, her good will remains.

They are also of the opinion that had it not been for an attack on Soviet Russia, Japan would never have invaded China. Such kind of opinion is not as simple as it appears. It contains a deeper plot, that is to say, they are attempting to transform the present Sino-Japanese war to a Russo-Japanese conflict, and to change the meaning of Japanese aggression on China to that of anti-Bolshevism. By this change of meaning, Japan attempts to change opinions of democratic countries who are standing on the side of Soviet Russia against aggression.

Its final objective is to change the international peace front and aggression front to that of capitalism and socialism by the "anti-Soviet Russia" slogan, so that China will be isolated in international relations, and her aggression on China will be neglected by the world. Thus China can be conquered. The malignity of this plot deserves our special attention.

Not Anti-Bolshevist Fight

We know that the Japanese attack on China is carried out according to her "Continental Policy" which was decided long ago. The decision of the "Continental Policy" was far earlier than the appearance of Soviet Russia, and also far earlier than the period when there was no communism to guard against by China. The Russo-Japanese War certainly could not be for the purpose of extirpating communism, and the Sino-Japanese War of 1894 certainly could not be for the purpose of attacking Soviet Russia.

It would be better to say that Japanese attack on China is an attempt to occupy and make use of China's rich material resources and labor, to enlarge the bases for her aggression and to proceed on her war of looting than to say that it is a preparatory war for an attack on Soviet Russia.

Of course, we cannot say that Soviet Russia is not an object of her attack, but it is only one of the objects of attack for her enslavement and conquest of China. The other countries, like Great Britain, France, and Holland, who have colonies in the Far East, are also subject to the danger of being expelled by Japan. In order to decrease the interference of these countries in her larcenous activities, Japan declares that she is carrying out the common holy mission of all capitalistic countries, and hinted that the other democratic countries should not interfere in her aggressive activities, and they should change their "interference" to "assistance." Thus she can accomplish her conquest of China. It is most heart-breaking, however, to see the defeatists of our people aiding Japan in this malicious mission.

Say Soviets Weakened

The defeatist has another way of saying things. They say that though it is true that from the standpoint of her principles, Soviet Russia should give assistance to China, and be sincere in her assistance, unfortunately she has not the power to assist China, because on one hand, her own party purge has not yet completed, and on the other hand, the two fascist countries in the western Europe, Germany and Italy, are pressing on her. Such a situation places Russian a difficult position. How can she give assistance to China?

Such calumny again contains two plots. Firstly, it is an attempt to say that China must surrender herself to Japan. Their logic in reaching this conclusion is that China's resistance against Japan depends entirely on Soviet Russia; China herself has no power of resistance whatsoever; and since Soviet Russia is unable to assist China, therefore, in their opinion, China should surrender. Secondly, it is an attempt to estrange the relationship between Soviet Russia and China, and to seek other friendly countries which they consider as being powerful and sincere in their assistance to China. Their logic is that China's resistance needs foreign support constantly, and since China is in need of help, therefore, she has to seek it from other friendly countries. As to this point, no argument is necessary; a single fact is enough to destroy this calumny.

History has told us that Soviet Russia even at the revolutionary period had the power to destroy the counterforces within the country, to defeat the armed attacks of imperialism on all sides, and to break through their economic blockades. Now after all the reconstruction and recovery during the period of new economic policies and the rapid improvements made during the two Five-Year-Plans, the economic construction of socialism in her national economic organization has surpassed in every line those of capitalistic countries.

Based on such strong and firm socialistic economic foundations, she has built up an incomparable huge national defense. Whether on the sides of technique or political levels of the military force, she has surpassed also that of any capitalistic country. She is confident that at all times she is able to crush her enemies who may attempt to attack her, and confident, too, that she is able to use her power to secure world peace. Moreover, in western Europe, Great Britain and France will always be able to divert Germany and Italy; and in the east, America can keeps Japan occupied. Russia realy possesses the greatest power to assist China. As to her purge within the country, it shows that she is mopping up the spies of fascist states in her country, and is determined to be prepared for a war against invasion.

Why No War?

The defeatist may ask at last: since Soviet Russia has the sincerity and power to assist China, why then until now, did she not mobilize her army against Japan? It seems that because Russia has not mobilized, it is proof that all other aids of Soviet Russia are insincere. In fact, in regard to this question, we have to repeat the statement that "Soviet Russia's support to China's resistance does not change in principles but is variable in its form and degree."

In case her mobilization would obstruct China's own struggle for existence and harm her international relations, Soviet Russia would even be willing to be considered by the defeatist as insincere. In short, Soviet Russia is a socialistic state; a socialistic state has no excuse for not giving assistance to the struggle for freedom and against aggression of the Chinese people. At the same time, we, who stand for the struggle for freedom of our country, have no reason whatsoever in doubting the assistance of Soviet Russia.

We firmly believe that only through the sincere cooperation of Soviet Russia and China can the larcenous activities of Japanese imperialism in the east be ended and world peace be secured. Any opinion that challenges or estranges the friendly relationship between China and Soviet Russia is the political plot of our enemies and traitors, and also that of international aggressionists in conquering China. We must give a severe blow to the continued development of such plot in both Chinese and world opinions. Moreover, this task is the chief political mission of every Chinese who does not wish to be a man without a country.

China's Air Lines Develop Despite Hostilities

Following the outbreak of hostilities last July a number of the airlines linking Peiping, Tientsin, Shanghai and Nanking were suspended. However, more airlines have been opened in the interior provinces by the China National Aviation Corporation, a Sino-American firm, the Eurasia Aviation Company, a Sino-German firm and the Southwest Aviation Company.

The three aviation companies operate altogether 12 lines at the present time with a total length of 8,646 kilometers. The airlines operated by different companies are listed in the following:

(1) The China National Aviation Company:
1. Hankow-Chungking line via Changsha, Ichang and Wanhsien, a distance of 827 kilometers.
2. Chungking-Chengtu line, a distance of 290 kilometers.
3. Chungking-Kunming line via Kweiyang, a distance of 880 kilometers.
4. The Hongkong-Hanoi line, a distance of 835 kilometers.
5. Chungking-Kating line, a distance of 200 kilometers.

(2) The Eurasia Aviation Company:
1. Sino-Hongkong line via Hankow, Changsha and Canton, a distance of 1,800 kilometers.
2. Sian-Chengtu line, a distance of 600 kilometers.
3. Chengtu-Kunming line, a distance of 700 kilometers.

(3) The Southwest Aviation Company:
1. Canton-Hanoi south line via Pakhoi and Fangchen, a distance of 749 kilometers.
2. Canton-Hanoi west line via Wuchow, Kweilin, Liuchow and Nanning, a distance of 900 kilometers.
3. Canton-Kiungchow (Hainan Island) line, a distance of 551 kilometers.

In addition to these 12 lines, the China National Aviation Company is planning to open another new line to link Chungking and Hongkong by way of Kweiyang, Kweilin, Wuchow and Canton, a distance of 1,500 kilometers. The Eurasia Aviation Company is planning to open a new line connecting Kunming and Hongkong by way of Hanoi, a distance of 1,200 kilometers.

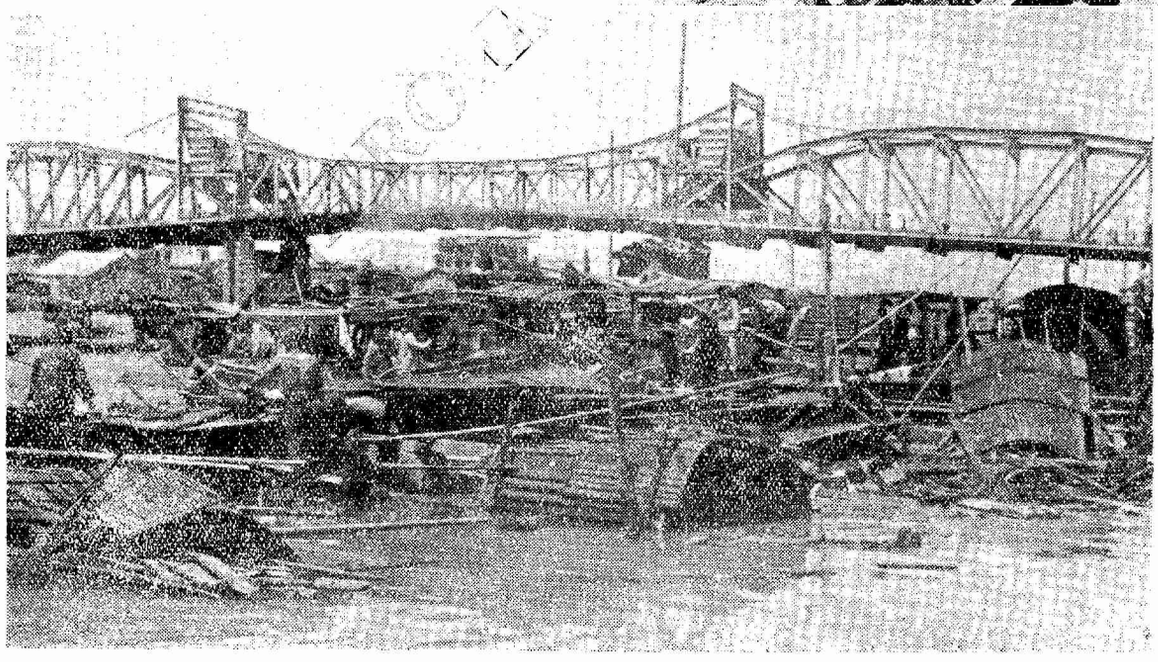
"Air France" To Extend Service to Hongkong

The French air transportation comapny "Air France" will extend the Marseilles-Hanoi service to Hongkong from August 10

WHEN JAPANESE BOMBS HIT CANTON

(Above)—A really unique medical case is this picture of a child shown in its sleep at the Sun Yat-sen Hospital, Canton. The story: A boat woman who was an expectant mother was carried to the hospital with her abdomen blown open by a bomb fragment. Her unborn child, an 8-months baby, was blown some yards from its mother's body when a bomb fell near their sampan near the Canton-Honam Bridge (shown below). After the picture was taken the child died on the night of July 16. The bombing took place on July 14. The unique baby lived for two days.

(Right)—Scene of bombing destruction in Honam Island, opposite Canton City on July 14. The big modern building on the left side is the Central Bank branch in Canton, one of the Japanese objectives. Note the peculiar bamboo structure on top of this building in three layers, which all Chinese built on top of big buildings in Canton to save themselves from bomb attacks. It is said that the three layers of bamboo reduce the force of the missiles when they fall on top of the building, thus reducing the weight of the explosion. It was also thought that the layers of mats might cause the bombs to explode above the roofs of the buildings.



Junks and sampans destroyed near the Canton-Honam Bridge (known also as the Pearl River Bridge) on July 14, when hundreds were killed and wounded among the Canton civilians and many boatmen during a terrible raid, the object of which was the Canton-Honam Bridge, the construction of which cost the Canton Government several million dollars. Its construction was completed only a few years ago. Today the bridge remains intact despite many attempts to destroy it. On July 14 bombs missed the bridge by only 50 yards.

Old and New Customs Blend to Aid in China's Education

BY HIN WONG

MANY an ancient Chinese institution is being revaluated and revived to fit the needs of the hour—and with them, one of the West's modern inventions.

One of the old Chinese institutions coming into use again is the wall newspapers.

At the same time, the radio is being pressed into use to aid in mass education.

Everywhere in west China, like in other parts of the republic, one may notice in all public places and popular streets what is known as the "Pi Pao," or wall-newspapers. These hand-written sheets posted for the benfit of the public, having become a regular source for information to many since the outbreak of war, is in every particular like a regular newspaper, full of local and national news, with occasional editorial comments and often cartoons.

Of course, wall-newspapers, usually prepared by enthusiasts who lack the experience of actually editing a regular newspaper, have many short-comings; but they are serving a useful purpose and providing more channels for the expression of individual and public opinion.

Historians generally agree that newspapers are a Chinese institution in principle and from time immemorial, imperial edicts, important official appointment, names of successful candidates in district, provincial, and imperial examinations, and in trade centers, market quotations and possible dates of arrivals of junks or caravans have been published. A part of Chinese history and literature is nothing more than a collection of writings original or copied in scrolls, fans, or rubbed from tablets once put on or erected as a part of the walls in temples or palaces. Until print from wood blocks or stone tablets came into general use, the Chinese of the old days usually copied by hand everything if importance and displayed the writings on the wall, a practice still found in Chinese homes.

Teaching Extended

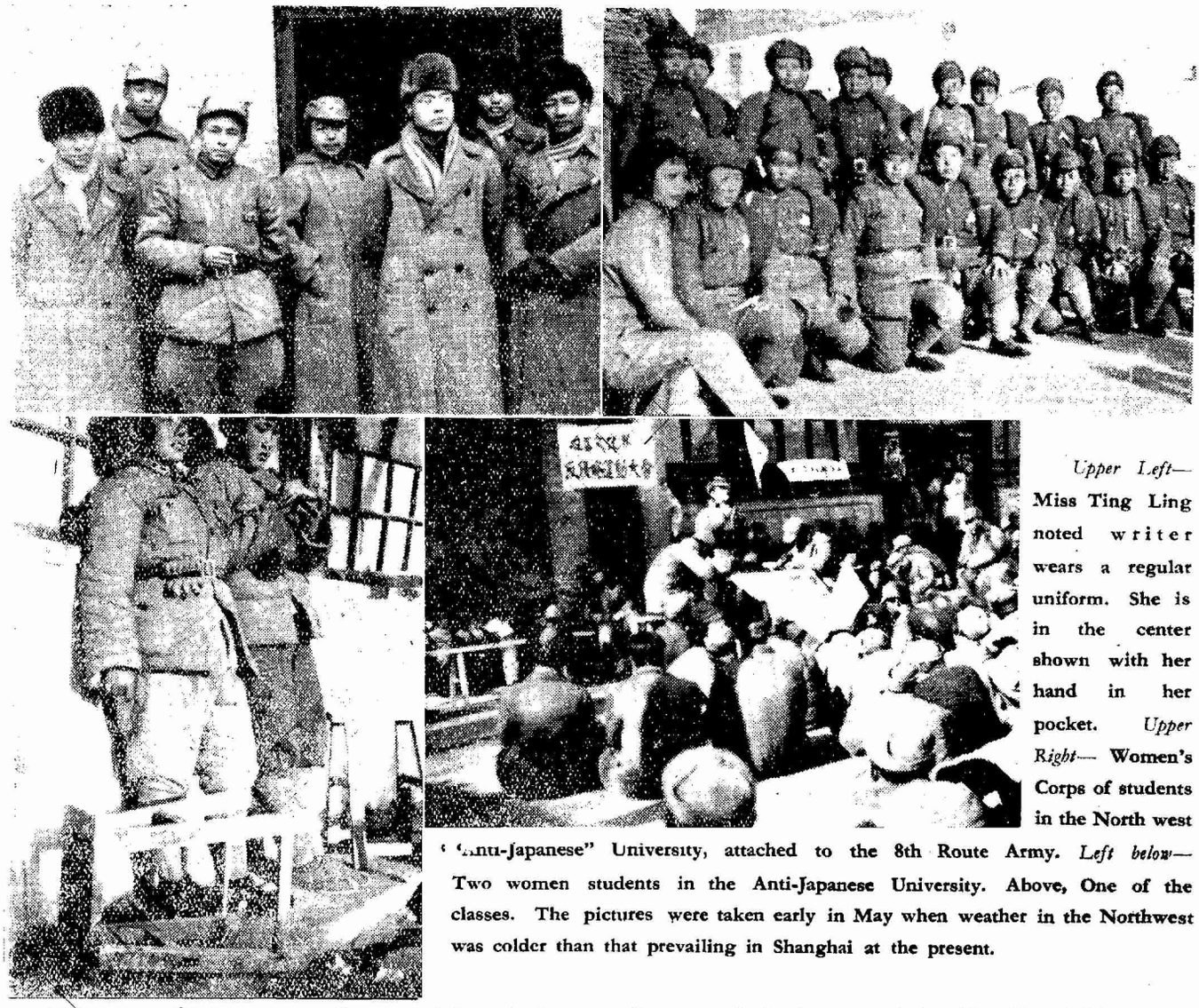
Another useful institution coming into popularity again is that of extension teaching, the coming of teachers to the pupils instead of their being invited or sought after by those who wished to learn. Confucius in his days often went from one state to another to expound his political principle; and today, automobiles with motion pictures, health charts, lecturers, nurses, and others, man and materials, may be seen en route, enroute to inform the public.

This may explain why the Central Government leaders have been sending mass education groups instead of organized military forces alone, to Sikang and other parts of west China. In the past, Chinese professional orators, during New Year holidays or on market days, were often engaged by elders to explain and comment on imperial rescripts or other rules and regulation relative to duty to one's own country and family.

Today, county governments in many parts of the republic, including those in south Szechuen, still regarded as somewhat backward, have made mass education a regular administrative program, and the national Ministry of Education, among other things, has prepared educational films especially intended for screening in rural districts.

Processions to welcome the bride, to offer sacrifice to temples, to make a public presentation to the deserved or as a funeral or a military escort, while not being discouraged, are these days being more effective by introducing patriotic motives into them; and the salute to China's flag and honor in silence and spirit to the Father of the Republic, not unlike the *kowtow* before the ancient imperial

WOMEN TAKE THEIR PLACE IN THE FIRST LINE OF DEFENSE



Upper Left— **Miss Ting Ling noted writer wears a regular uniform. She is in the center shown with her hand in her pocket.** *Upper Right*— **Women's Corps of students in the North west "Anti-Japanese" University, attached to the 8th Route Army.** *Left below*— **Two women students in the Anti-Japanese University. Above, One of the classes. The pictures were taken early in May when weather in the Northwest was colder than that prevailing in Shanghai at the present.**

tablets or family ancestors, have become a practice preceding many Chinese public or private gatherings.

Radio's Part in New Movement

The Chinese Government, local and central, in the last few years, have been doing no little in the promotion of general welfare in the rural districts. Rehabilitation of rural economics is being supplemented by a program of mass social education, under general advice of the ministry and the bureaus of education of national and provincial governments which, in turn, is being assisted in research and reports of the Institute of Rural Welfare, constituted of experts in sociology and social service.

In Omeihsien and other districts in Szechuen, while not being so well served and organized as other districts in the more advanced provinces of China, activities for the economic and educational interests of the people are being noticed elsewhere, especially in the seat of the county government. Like many places, it has co-operative societies through which small loans to start new farmings or sell produces at better price outside.

Primary and normal schools are partly supported by the county government which, it may be of interest to note, is paying special attention to the future by having a normal high school for girls, at present the highest grade in the educational system of the district. Mass education in Omeihsien is being promoted formally and informally. Here, like elsewhere in Szechuen, a people's hall of education is found. A library, a reading room, an exhibition and a lecture room are attached to the hall. Its gardens and playgrounds for the recreation of the mass, however, have to be much improved before they may compete with those in Hsakiang, a neighboring district.

Rural Night Schools

Following the general program in all rural districts in China, Omeihsien is also seeing that as many adults as possible are given some rudiment of education through short-term and night schools. At the same time, all able-bodied men had to undergo a short period of military training, while the *paochangs* and *chiachangs*, heads of one hundred and ten families respectively, were further instructed in leadership and discipline so as to assist local officials in the enforcement of law and the apprehension of undesirables within their prescints.

The provincial government of Szechuen is constantly keeping its county officials informed on local and national affairs through the provision of radio receiving sets in every district office, and the local broadcasting stations are often used as police signs to assist in the suppression of crime. As soon as some important messages are received at the county seat or important towns. same are relayed by the best means possible to schools or other public institutions or ward or street committee bulletin boards for the information of the general public. The development of the Sino-Japanese war and the policy of the Chinese Government are always before the people through these bulletins, which are supplemented by wall-papers put out by schools giving a summary of the day's news of the district, whenever people are still unable to subscribe regularly to daily newspapers from the larger cities.

In Omeihsien proper, the magistrate, like others elsewhere, meets the public formally every Monday, in connection with the weekly memorial service in honor of the late Dr. Sun Yat-sen. Early in the morning, before sunrise, representatives of the government, the Kuomintang Party, schools, public organizations, police and army, all assemble in military formation on the ground in front of the magistracy to attend to the flag raising ceremony amid military air, following which the magistrate, as master of ceremony, and usually a special speaker address a the gathering, ending with the singing of the national anthym and the shouting of slogans, "Long live the Republic of China!" and "Down with the enemy!"

Chinese Denounced for Bombing Hospital Ship

Japanese Fleet authorities have denounced the Chinese for an "indiscriminate aerial bombing" of the s.s. Tachibana Maru, hospital ship, near Kiukiang on July 29. The Japanese naval authorities recalled that Chinese planes bombed and strafed the s.s. Asahi Maru, hospital ship, off Woosung at the commencement of hostilities, and also bombed the s.s. President Hoover in the same locality.

On the mast of the Tachibana Maru was a big Red Cross flag, they said. On the upper deck and the sides of the ship also were clearly painted big Red Cross marks. The attacked ship is quite different from other ships in type as well as in color, which can be clearly discerned from the air at a high altitude, the Japanese said.

New China Airlines to Be Opened in October

Service on two new air routes in China will be started in October by the Japan Air Transport Company, *Domei* reported last week. The first line links Tokyo with Nanking by way of Shanghai and the other connects Tokyo with Tsingtao, Peiping and Tientsin. Five Lockheed planes have been assembled for the Tokyo-Fukuoka line. Each carries 10 passengers and a crew of three and has a maximum speed of 421 kilometers. By September Douglas passenger planes are scheduled to arrive here from America for the new lines. Each of these planes can accommodate 21 passengers and three crew men.

HANKOW UNDISTURBED BY CRISIS

1.—Minister of Education Chen Li-fu delivers farewell message to Chinese delegates to World Youth Congress to be held at Vassar College, U. S. A., in August. The Chinese delegation of 14 students included four young women students.

2.—Ma Chao Tsung, former Mayor of Nanking (in long gown) with Chen Li-fu talking to delegates to Youth Congress.

3.—Wang Ching-wei, President of the People's Political Council (in foreign dress) and Dr. H. H. Kung, chairman of the Executive Yuan standing with members of the Council.

4.—Dr. Chang Po-ling, President of Nankai University at Tientsin (destroyed by Japanese), who is now Vice-President of the People's Political Council.

5.—Three of the nine women delegates to the conference of the People's Political Council (left to right) Sze Ling, Tao Yu, Liu Shen Heng.

6.—Hankow citizens hand in their gold ornaments to help out the Government's exchange.

7.—Another view of the crowds about the stand where gold ornaments and jewelry are being contributed to the Government.

8.—Chinese women also contribute their gold hairpins and jewelry to the cause.

9.—Gen. Chen Chen, head of the political department of the Military Affairs Commission.

10.—Thousands of boys and girls in Hankow hold memorial service for China's war dead.

Shanghai's Refugee Problems and Kiangsi Relief Work

DR. John Earl Baker, director of the Shanghai International Red Cross, last week came to the conclusion that the relief system in Shanghai was beginning to produce the same undesirable effects that the "dole" system did in the United States during the depth of America's depression, 1931-33.

He realized what America realized: that so long as the jobless have food and shelter, they will not work.

So concluding, Dr. Baker, in a letter to members of his organization's executive committee, recommended that drastic reforms be made in the local relief administration in order to prevent charity from becoming a serious demoralizing factor in the habits of the city's refugees. He pointed out that the refusal of the able-bodied refugees to work and their tendency to stay in the camps as long as they get ample rations to satisfy their hunger are becoming acute problems which local citizens and their charitable organizations cannot solve unless they debunk sentimentalism and face facts.

In seeking a remedy for this situation, he explained, the Shanghai International Red Cross can do very little without the cooperation of the various parent relief organizations which are directly responsible for the maintenance and administration of the camps. The veteran relief worker, whose long experience has convinced him that a free "full dinner pail" is not conducive to initiative in seeking employment, recommends the following reform measures.

Changes Recommended

1. Those who refuse work should be expelled from the camps and those who leave work without a good excuse should be denied re-admission to the camps. This measure is likely to prompt able-bodied refugees to make better use of their working opportunities.

2. The sexes should be segregated in all the refugee camps. All men should be taken from camps where there are women under 50 years of age and centralized near the industrial portion of the city. This is an important measure because there is no good to be served by increasing the population under conditions that pauperize.

3. No rations should be furnished by the Shanghai International Red Cross to camps which receive rations from any other source. Exception should be made of children's milk and bean cookies. Those who have means, either from the past, or by current occasional labor, to buy food should be sent out.

Dr. Baker pointed out that so long as the refugees can use their earnings to buy tid-bits to make tasty the substantial rations furnished by the Red Cross, they will continue to stay in the camps. However, there is a need for shelter for people who have means to buy part or all of their food, but have no place to live, he explained In this respect, Dr. Baker recommended that the camps should be classified into three categories: the housing camps, the half-ration camps and the full ration camps. Refugees must be sorted out from the existing camps and sent to the camps of the appropriate classifications, he stated.

According to Dr. Baker's plan, none but the old people, women and children who have no support should be allowed to live in the full-ration camps. In these centers, he further recommended, work sections should be started in which the older children and all others, except those who are positively enfeebled, should be required to engage in various handicrafts in order to earn a considerable portion of their living expenses. This kind of work can be encouraged by allowing the refugees to retain one-fourth of the wages as spending money, one-fourth as a deposit in their savings account and the other half to be given to the rationing and housing organizations for their support.

In Nantao, Dr. Baker reported, a ration of six ounces of rice a day is being delivered to each refugee. The refugees living in that area must provide for themselves other necessities such as beans, wheat, oil and fuel. In the opinion of the S.I.R.C. director, the refugees in the Settlement and Concession camps should be able to live on similar rations plus several other basic items of food.

To insure that the rations given by the charitable organizations reach only those who are really needy, Dr. Baker suggested that instead of rice, the relief bodies should give only beans and wheat. He pointed out that people in this part of the country apparently do not like bean soup or wheat mush, but both of these things are food and anyone who is really in need will not hesitate to eat them.

Relief Work in Kiangsi

But Shanghai's relief problems, while serious, perhaps are not so great as the situation confronting relief workers in the areas in which hostilities are now in progress. In the Province of Kiangsi where war at the present is leaving a deep mark, foreigners are taking an active part in relief work. The mission and community hospitals in Kiukiang, Kuling, Jaochow and Nanchang have cared for injured soldiers and for wounded and sick refugees. Baldwin School for Girls and the Nanchang Academy, both at Nanchang, have given over their main buildings and other facilities for use as base hospitals for wounded soldiers. Foreigners played their part in all of these services, also in the work of the Kiangsi Christian War Refugee Committee at Nanchang.

In many of the hospitals and refugee camps throughout the province, missionaries, in response to official invitations and together with their Chinese colleagues, have been engaged constantly in aiding and comforting the wounded through evangelistic visitation. Frequently Christians are found among the wounded. Most soldiers are familiar with the fact that numerous individuals in the army and among the high command are Christians, and have been greatly influenced thereby. Thus there is widespread interest among them in tracts and Gospels, not only for occupying their leisure hours but also for the substance of the messages conveyed. Often the spiritual comfort and peace of the Christian faith found through this ministry have been of real aid in physical recovery. There have been numerous Christian baptisms.

In addition to the regular mission workers in the province, several foreign doctors, nurses and others who cannot return to their work in other parts of China are rendering valuable aid. A notable instance of this is the Nanchang Hospital where at present one evangelist and two doctors, one of whom is a skilled surgeon, are giving full time service. Here free clinics are held daily for refugees sent over from the City Government refugee camp, and some work still continues for special cases among the severely wounded. From October to the end of December 1937, 578 soldiers were cared for and scores of civilian were treated. At Kiukiang, foreign doctors and nurses from the Water of Life Hospital and the Danforth Hospital have helped not only to care for wounded soldiers and sick refugees in the hospitals, but have helped the wounded in transit with dressings at the docks and railway stations.

The Kiangsi Provincial Committee of the China International Famine Relief Commission, in which foreigenrs share, is projecting a resettlement programme to be financed in part by the American Red Cross funds, for agricultural refugees in parts of the Province where large tracts of land were abandoned several years ago by the farmers during a period of strife.

When Japan first attacked China at Lukouchiao, the Kuling Community Hospital Board immediately organized a War Relief Committee. It was called to Lushan War Relief Committee. The members represented five nationalities; American, British, Chinese, German, and Norwegian. Other nationalities co-operating and helping were French, Swedish, Dutch, Russian, and Latvian. Liberal contributions were received from all classes. Even the children helped.

Epidemics, Floods and Rice

But the actual hostilities are not the only causes necessitating relief. Epidemics and floods are also leveling thousands of Chinese to a state of destitution and cases for medical attention. A campaign to collect funds for the relief of the victims of the Yellow River floods in Honan was launched in Canton July 29 under the auspices of the local civic organizations. More than 2,000 young people were mobilized to solicit relief contributions throughout the city streets. Yellow badges, on which are inscribed the words "Yellow River Flood Relief" were given to all donors. The various shops were urged to contribute one day's profits for the relief of the flood refugees.

An epidemic of cholera has broken out in Kweiyang, provincial capital of Kweichow. The death toll is mounting daily. By order of the Provincial Government, the various hospitals there despatched representatives to the factories and shops to give free anti-cholera injections. Special medical units are also posted in the main streets to give injections to the public. Under the auspices of the Kweichow Provincial Hospital, several isolation hospitals have been established for the treatment of cholera victims.

Because of the necessity of conserving rice supplies here a request of the Chekiang Refugees' Relief Association to buy rice from Shanghai was rejected by the Shanghai Rice and Bean Merchants' Association this week. Members of the Shanghai association feared that compliance with the Chekiang association's request would bring similar appeals from charitable organizations in other proivnces. In that case the limited rice supply in Shanghai would be far from sufficient to meet the unlimited demand, members of the Shanghai association said.

In view of the fact that the price of the best grade of rice remains as high as $14 a picul in Shanghai, members of the association are making arrangements to purchase a large quantity of rice in Kiangsu and Anhwei and in Saigon to prevent a possible shortage here.

Organizer of Nanking Refugee Zone Decorated

With the approval of Chancellor Hitler, the president of the German Red Cross has awarded the Cross for Distinuished Service of the German Red Cross to John B. H. Rabe of the Siemens China Co. It will be recalled that Rabe was mainly responsible for organizing and maintaining the Nanking refugee zone, being also chairman of the International Refugee Committee in Nanking. At the same time Messrs. Eduard Sperling and Christian Kroeger received the decoration of the Red Cross.

Buncombe *a la* Japanese

BY PETER SOUTH

WITH all the blandness of a man commenting disinterestedly on last month's weather, or a small boy asking for a second helping of pie. Masayuki Tani, Japan's roving ambassador in China, told the press this week that third powers would do well to display patience in securing satisfaction from Japan regarding the safeguarding of their rights and interests in China.

Mr. Tani should be more clever!

Although Tokyo pays him well for spreading such indigestible sweets upon a very sour situation in China, Mr. Tani should know better. Anyone who understands the Orient well enough to know that *sukiyaki* is a Japanese dish, and that Chinese like sweet and sour pork, will immediately sense that Mr. Tani has struck a rather sour note.

Mr. Tani said that allowances should be made for some delays in implementing Japan's guarantees of foreign rights and interests.

However, perhaps Japan's tea-party-giving diplomat knows whereof he speaks when he mentions "delays", because if you want to hire someone to delay something, you can not find a better or a wider field in which to make a choice than from the top-notch officials of the Japanese government down to the humblest of buck-toothed army privates.

Japan, by her demonstrations in the past year, has convinced the world that she can, and disgustingly without legal premise, delay anything from a sprouting bean plant to a charging locomotive.

"Delay" is Keynote

Japan's "continental policy", as applied to foreign rights and interests in China, today is based on DELAY! Her keynote in China is "delay." Delay everything! Stop the wheels of foreign industry and keep them stopped—until Japanese industry is under full blast, and Japanese monopolies have crushed and stamped out every vestige of foreign ingenuity and foreign investment!

And when Japan has finally smashed the "Open Door" into a heap of kindling wood, foreign business throughout Asia, drained of its life-blood, will crumple as it already has done in Manchuria and is fast doing in North and Central China.

Japan' stock gag of "have patience," so often coyly pleaded for by diplomats in Tokyo, and so ably mimicked in China by Mr. Tani, has for a long time rasped in foreign ears in the manner of a well-worn phonograph record. It would appear that in the interest of intelligent propaganda, Japan would change its tune.

No person, in full possession of all his faculties, believes one word of Japan's standardized reply to all foreign protests that "it is hoped that third party nationals will show an appreciation of the fact that Japan in now mainly concentrating her energy upon military operations." Such prattle, by constant repetition, has been reduced to mere gibberish.

Buncombe of this caliber, although swallowed by no one, is, however, serving Japan's purpose.

It has had in the past affect of toning down the tenor of protests to Tokyo; of staying, perhaps, any widespread thought on a possible foreign intervention in this Far Eastern conflict. Powers undoubtedly have hoped that out of the flood of Japanese statements apropos Japan's sincere desire to "safeguard and protect" foreign interests, that, perhaps, one of two words might hold true. That it was a very slender thread of hope to cling to, has been proved by undeniable evidence, by their own left-handed admissions; all these statements, indeed, were farthest from the fact.

The truth is, well-known to everyone in the Far East, that Japan's army is consecrated to the "holy" task of destroying the economic structure erected in China by four generations of foreign traders, industrialists and financiers (*China Weekly Review*, May 28, "Foreign Business Faces Greatest Danger in Century of Commericial Activity in China;" June 4, "Japanese Army's Sinister Plan to Drive Foreign Interests Out of China").

Long before Japan had been fighting a year on China soil, foreign interests had sustained losses roughly estimated at U.S.$800,000,000!

Much of this, however, is loss that appears on the surface. But not all Japan's sinister plot to kill foreign business is so readily visible. Time and again, pages of the *China Weekly Review* have revealed the growing Japanese monopolies in China—monopolies which are sounding the death knell for American, British and other foreign trade.

Realization Comes

The American and British governments in the past, in offering a mild brand of protests over Japan's illegal actions in China, did not fully appreciate the import in the constant flood of dispatches telling of the Japanese army's polite and sometimes not so polite obstruction to the operation of foreign business. But the diabolical plot behind these so-called "delays," it appears, is finally being driven home. In the past month or so, the United States has delivered several strong protests to Tokyo. Japan was told to evacuate the U.S.$2,000,000 University of Shanghai, used as a stable, a barracks and an air base since last September, and to permit the free entry of Americans into Japanese-occupied areas.

However, Britain appears to be shouldering the heaviest load at present. In conversations now being conducted in Tokyo between Sir Robert Craigie, British Ambassador to Japan, and Japanese Foreign Minister Ugaki, Britain is demanding the settlement of about 150 questions, the majority of which undoubtedly pertain to the maintenance of the "Open Door" in China.

These "delays" Japan is constantly apologizing for, are for no other purposes than to close the "Open Door" and drive out American and British competition. Daily the American and Briton who are operating businesses in China, sees further regulations laid down by the Japanese army, or promulgated by their Chinese satellites in puppet governments, aimed at wrecking foreign trade.

The newest of these is the licensing system for imports and exports, announced July 29 by the Peiping "Provisional Government." Its purpose obviously is to bar "non-Nipponese traders" from the North China area.

According to the decree, which was drafted by Japanese authorities "in co-operation with Peiping officials," a wholesale license system will be adopted for importation and exportation of goods in North China trade. Furthermore, with a view to increasing foreign currencies held by the "Federal Reserve Bank," permission of the "Government" will be needed to export staple products and to import commodities to North China.

Foreign traders and trade experts in Shanghai pointed out that by this decree, Japanese authorities in North China will have the virtual right to tell all businessmen what to buy and how much to buy. Recalcitrant traders who dare to dispute the authority of the Nippon officials will undoubtedly be driven out of their business when their applications for licenses are rejected, it was explained. Although it is still not known here as to how the licensing system will be carried out in actual practice, those who are familiar with the Nipponese trade control policies believe that in general the North China regulations will be probably of the same pattern as the laws for regimenting import and export businesses in Japan.

Preference to Japanese

Local foreign traders, while hoping that their North China business will not take another drastic turn for the worse as a result of the new licensing regulations, predicted that in all likelihood, the actual working of the system will be marked by giving preferences in trade to the Japanese exporters and importers. Many of the local foreign traders admitted that during the past few months they have become convinced that as a result of the gradual development of the Japanese policy, American, British and other non-Japanese traders in North China are doomed to eventual bankruptcy if they continue to defy the hints for them to get out at the present time "when the getting out is still good."

Authoritative statistics collected by foreign trade experts here indicate that in June, 80 per cent of the import trade in North China was done by Japanese. Of the export trade, some 70 per cent was done by the Nipponese. It was explained that

the figures only included recorded trade. When smuggled goods and other products which filtered into the area a taken into consideration, the amount will be considerably larger. Foreign businessmen also pointed out that the "Provisional Government" in promulgating the new trade licensing degree is also aiming to gain control of foreign exchange in North China.

Hitherto, the so-called "Federal Reserve Bank" has had no direct control over foreign exchange. By this new regulation, exporters, in obtaining their licenses, will probably be made to surrender their foreign currency to the bank. In this manner the bank will be able to accumulate foreign exchange which it desires to have.

The Peiping announcement has been expected here for sometime. Complete control of trade in North China by the Japanese is long taken as a foregone conclusion, but as a result of the lack of proper machinery to handle such control, definite regulation was not announced until July 29.

Tsingtao's Strange Ruling

Diplomatic authorities in China also are paying the closest attention to the prohibition of exports from Tsingtao by the Japanese naval authorities, unless financed by the Yokohama Specie Bank. It appeared certain upon completion of investigations into this strange ruling, representations will be made through foreign ambassadors in Tokyo. A well-know authority on international law told *The China Press* that in his opinion, the prohibition was a "flagrant violation of all treaties between Great Britain and nations in the Far East."

Another cog in Japan's North China machinery for the "economic rehabilitation of China's five northern provinces," was put in motion on August 1, with the inauguration of the Yen 35,000,000 North China Telegraph and Telephone Company. According to an announcement made by the "Provisional Government," the Peiping regime will invest in the firm Yen 10,000,000 of which Yen 6,000,000 will be in kind. The Manchuria Telegraph and Telephone Co., the Japan Telegraph and Telephone Co., and the International Electric Communications Co., Japanese firm, will each invest Yen 4,000,000. Investments in kind will be paid up in full at the outset but in other cases only one-fourth of the amount subscribed will be paid up.

The new company will have no president nor vice-president, the chairman of the board of directors and vice-chairman of the board of directors taking charge. Otohiko Inouye will assume the post of chairman of the board of directors while Mr. Hsu Hsiu-chih will be appointed vice-chairman of the company. Four Japanese and four Chinese will become directors and one Japanese and one Chinese will be appointed auditors.

In its statement the "Provisional Government announced that the North China Telegraph and Telephone Company was established to control and operate electric communications enterprises in North China, succeeding in part to the facilities of the Ministry of Communications. Supervison over the firm will be exercised by the "Provisional Government."

Monopolies Doing Nicely

Meanwhile, Tokyo has announced that organization activities of the Yen 350,000,000 North China Development Company and the Yen 100,000,000 Central China Development are progressing smoothly. Already 2,113,000 shares of the former company and 608,000 shares of the Central China firm have been subscribed, it was revealed. Promoters and supporters of the semi official concerns include 14 influential shipping and industrial organizations and other big interests.

The Life Insurance Companies' Association led the list of stock subscribers by buying 317,000 shares of the North China company and 90,000 shares of the Central China company. It was followed by the Mitsui, Mitsubishi and Sumitomo interests, each of which subscribed 315,000 shares of the North China company and 90,000 shares of the Central China company.

The Electric Power Companies' Federation and members of the Stock Excnange came next, each subscribing 155,000 shares of the North China company and 45,000 shares of the Central China company. Also included in the subscribers were the Steel Material' Dealers' Association, the Coal Industrialists' Association, the Cotton Spinning Industrialists' Federation, the Shipowners' Association and the Sugar Industrialists' Federation.

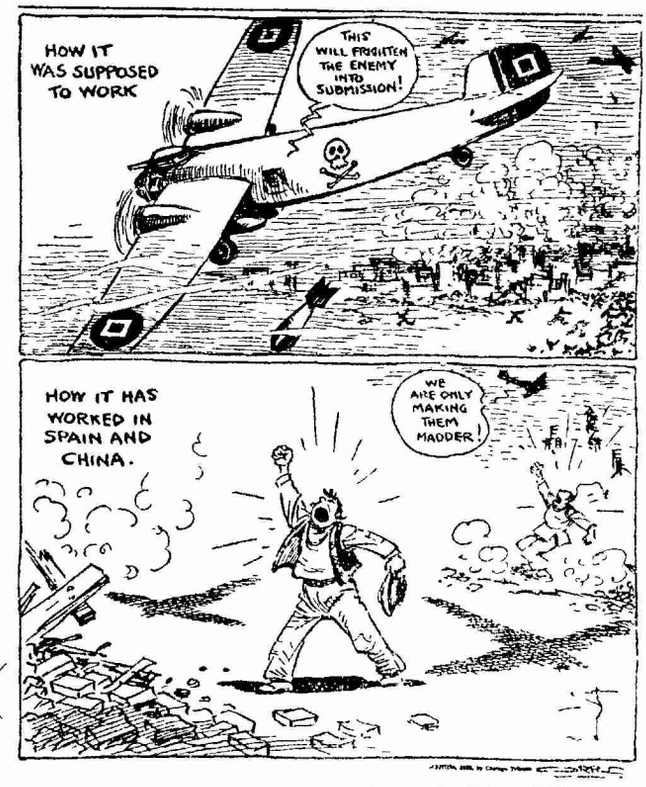
Monopolistic privileges for the operation of all power firms and waterworks companies in specified areas in Central China, including those privately owned as well as those operated by the State prior to the commencement of hostilities, will be granted to one firm, according to regulations released to the press by the "Reformed Government" July 30.

A company directly controlled by the "Reformed Government's" Ministry of Industries, or one specially chartered by the Ministry, will operate all the power firms and waterworks companies situated within an area designated by the "Reformed Government," according to the regulations for the Control of Water and Power Enterprises. The task of incorporating the various power firms and waterworks companies and assessing the value of these firms' properties will be carried out by a Water and Power Firms Readjustment Committee.

The former operators of these companies will be invited to take up shares of the new company by handing over their property to the readjustment committee as an investment in kind. Failure to do so within ten days after receipt of the Ministry of Industries' order will result in their properties being disposed of by the readjustment committee, according to the regulations. A separate set of regulations for the control of mines, similar in nature as the water and power control rules, also has been announced.

Formation of a Yen 15,500,000 Sino-Japanese firm for the operation and exploitation of telecommunications in the Yangtsze Valley area was completed July 31 when the Central China Electric Communications Company held its inaugural meeting here. In the Central China firm, Yen 5,000,000 was invested in kind by the Chinese, the remainder of the capital being subscribed by the Japanese, who have already paid-up Yen 5,000,000. The "Reformed Government" will have supervisory rights over the firm. In addition to restoring to normal communications facilities between various points in Central China, the firm will also undertake, on a three-year program, the resumption of radio-telephone facilities between Shanghai and points overseas.

NEW WEAPON INEFFECTIVE


HOW IT WAS SUPPOSED TO WORK
THIS WILL FRIGHTEN THE ENEMY INTO SUBMISSION!
HOW IT HAS WORKED IN SPAIN AND CHINA.
WE ARE ONLY MAKING THEM MADDER!

Orr in the Chicago Tribune.

New Economic Bloc

At the same time, Tokyo's Planning Board, following consulation with authorities of the army, navy, Finance Ministry, Commerce and Industry Ministry and the Manchurian Bureau, has drafted a four-year production-increase plan calling for a total expenditure of Yen 10,000,000,000.

The plan, which has 1941 as the year in which the execution of the plan is to be completed, is a synthetic industrial plan forming a new economic bloc among Japan, Manchoukuo and China, and is intended to regulate smoothly the expansion of the production of iron, coal, oil, gold and other important materials and their demand and supply for military and private requirements.

As for details, the Planning Board is scheduled to conduct negotiations with the Government authorities concerned, and a series of conferences with these authorities is regarded as very likely to be opened in August. The fundamental production increase plan is similar to Manchoukuo's industrial five-year plan. Japan, which hopes to crush the Chiang Kai-shek regime, is already hastening the enforcement of a commodity demand and supply plan as a makeshift scheme in which priority is given for military requirements.

Hongkew Establishments Unsanitary, Police Find

Out of 610 Japanese restaurants, cafes and kindred establishments inspected by the Japanese Consular Police from July 2 to 15, 159 produced goods unfit for human consumption, the *Shanghai Nippo* reported. Confiscated goods amounted to 244 items, the daily said. The consular police are seeking the co-operation of the Japanese Residents' Corporation and other civic bodies in this campaign, the paper added.

Report Says British May Bar Ports to Japanese

MOST revealing of information this week on the progress of talks between Sir Robert Craigie, Britain's ambassador at Tokyo, and Japanese Foreign Minister Ugaki was the story by the *China Press* star political reporter, C. W. Tombs, who reported that consideration is being given by the British Government to the closure of all British ports to Japan shipping unless China coast and inland waterway harbors are opened to British shipping.

Tombs credited his information to local British shipping circles. His report said that it is understood that support of this action will be given by other nations which have been shut out by the "closing door" policy which is now being pursued in Japanese controlled areas.

Abrogation of all treaty rights by the Japanese military and naval authorities under the guise of "military necessity" has been enforced on the China coast and along inland waterways with such regularity, a prominent British shipping man said, that it is now being accepted as a matter of course. "Such abundant evidence has been collected during the last month that the Japanese military and naval authorities have gone far beyond their practical 'necessities,' however, that shipping companies, in association with leading Shanghai merchants, have been compelled to recommend

WORLD'S CHAMPION JUGGLER!

Cartoonist Walker in South Wales Echo depicts Chamberlain's handling of European politics.

stronger action by the British Government in order to recover some semblance of the 'open door.'

"Retaliation is the most effective means of reform in international politics, and it has been recommended by British shipping firms in Shanghai that if the Japanese refuse to open to British shippers ports under Japanese control, then the British Government should refuse to open to Japanese British controlled ports."

Despite Japanese reports that the Yangtsze River was unsafe for commercial navigation, it was learned that it was possible to transport cargo from Wuhu, where large stocks of produce are awaiting shipment, to Shanghai. British vessels may not ship cargo from Wuhu, nor even from Nanking, because navigation to merchant vessels is considered by the Japanese to be "dangerous."

Nor may vessels flying other European flags navigate the Yangtsze for merchant trade. If navigation is not too dangerous, then "military necessities" interfere with the most important trade route in China; effectively blocking all shipping but Japanese.

Virtual Blockade

"Military necessity" and "danger to navigation" have been the Japanese excuse for the virtual blockade against foreign merchant shipping in the Yangtsze since the fall of Nanking, but subsequent developments have proved these excuses to be specious. Japanese merchant vessels are operating daily on the Yangtsze and other Chinese inland waterways to the exclusion of foreign traders. If this be doubted, let any trader apply to the N.K.K. offices for freightage ex-Wuhu. If it is not given over the counter, then the rules must have changed overnight, for on Aug. 2 one was able to obtain through a broker freight rates from any river port not only to Wuhu, but even provisionally from recently occupied Kiukiang. It is possible to ship cargo from Wuhu, but not aboard foreign steamers. So much for Japanese assurances that British and other foreign treaty rights would be preserved.

It has been argued by the Japanese authorities that the Yangtsze was closed by the Chinese Government with booms. Breaches of these booms are claimed by the Japanese by right of occupation, although according to international law, rights by occupation are entirely dependent on declaration of war, which has not been made by either side in the Sino-Japanese conflict. "Japan is not at war with China, even though a state of war may exist, and she has no right to interfere with, nor to attempt to prevent, freedom of navigation by foreign treaty powers," one shipping authority here declared.

"No Justification"

"The position is even more clear regarding coastal ports, such as Tsingtao and Tientsin, where the Japanese authorities can show no possible justification for their recent monopolistic actions. The ban on exports except through Yokohama Specie Bank credits is such that British shipping from Tsingtao is practically excluded, while the position at Tientsin is just as bad. Japanese military and naval action is simply large scale banditry against foreign interests in the areas they have occupied. It might not be diplomatic to brand it so, but it would be foolish, from a practical point of view, to look at it otherwise.

"The latest edict by the Japanese authorities places Kiukiang in the same category as Nanking and Wuhu. Although some British shipping firms maintained staffs in Kiukiang through the hostilities, they have now been compelled to withdraw them, and the port has been closed to all foreign nationals. Japanese civilians, however, are permitted to operate. It is a definite fact that Japanese tugs and lighters have been able to go alongside British-owned hulks in the Yangtsze recently and load from them Chinese cargo. It is not to the credit of the Chinese owners of the cargo, perhaps, but it is illustrative of the power that the Japanese are wielding over foreign nationals on the river," he concluded.

Partisan Relief Group Extends Work Into Shansi and Hopei

IN a recent statement issued by the Northwestern Partisan Relief Committee of Hankow, which began work in January of this year, acknowledgment was made for contributions totalling $60,363.48 made up to July 1. Expenditures over the same period totaled $60,352.47, leaving a balance of $11.01 on the first of last month.

In their report, they noted that their committee has been able to organize and secure considerable medical supples for the partisans operating in the Nanking-Chinkiang-Wuhu region, for medical supplies to the partisans in northern and northwestern Hopei Province, and for first-aid supplies to the partisan units in western Shantung Province. Considerable money was raised for partisan relief in south Anhwei, but did not go through our Committee, officially. The China Defenee League of Hongkong, with which their Committee is now affiliated, has been supplying medical and surgical supplies for southern Anhwei partisans, to the extent of their ability. They responded to appeals with $2,000 worth of medicines, a miscrocope, and some surgical instruments, and are purchasing still more.

"Our Committee is informed that groups of Canadian women to whom we appealed have made and shipped three tons of first-aid packings, bandages and dressings," the report said. "A small group of people in the Federated Malay States have collected $1,000. money for one ambulance and two trucks, and are collecting money for 10,000 pairs of shoes for the northwestern partisans."

A group of Chinese professional men continue to form one of the main supports of the Northwestern Partisan Relief Committee. Their former contributions totalled $3,800, their latest contribution, $5,897,08, bringing their total up to $9,697.08, This money comes from their savings and from their monthly salaries. For these patriots, this is a heavy sum, given by them gladly, the statement said.

The Committee has now extended its work from Shansi into Hopei Province, and tries to secure relief for the Partisans and their families in that region. The spread of partisan, or guerilla warfare, to all North China, and the new military campaign of the Japanese in the north will mean renewed and terrible suffering for every Chinese who works for, sympathizes with or gives concrete help in any way in defence of his people and country. These partisans are the common people of China, without help save that given them by sympathetic Chinese and foreigners. One partisan force for which their Committee is now soliciting funds consists of 4,000 men in Hopei Province. This force has but two doctors in its ranks, very little medicine, yet they face the new Jpaanese drive against them.

Recent reports from this group shows that the Japanese have tried to completely destroy every living thing wherever they find Chinese unwilling to be slaves or allow their women and girl children to be used as prostitutes. In those regions, the Japanese have not only destroyed whole towns and villages, but even cut down every free. Countless people have been rendered homeless. Yet they do not sit down and weep. Reports from them show that the women spin and weave cloth, make shoes for their men, and care for the sick and wounded, while the men either fight in the ranks or serve their homes and country in some other constructive capacity.

Missing Woman Journalist Turns Up in Hongkong

THE only foreign woman journalist to witness the fall of Hsuchow, Miss Iris Wilkinson, a New Zealander, who was reported missing after the city's bombing, is now in Hongkong. Miss Wilkinson described to a representative of the *South China Morning Post* the adventures of her trip, which included a trek across Shantung from Hsuchow to Tsingtao and culminated in her admission to the War Memorial Nursing Home, suffering from nervous prostration.

Miss Wilkinson told of the Chinese army's heroic stand at Hsucow, and how, when reinforcements failed to arrive, they were forced to retreat. On May 14, she said she was awakened in the middle of the night and told that the Lunghai Railway was cut and that the only escape from Hsuchow was by foot.

"I made two efforts," she said, "to get back to Hankow where I had left my baggage, but failed on each occasion. It was then that I decided to walk overland to the north. My eye had been badly damaged—so that I could not see out of it—by an frenzied Chinese refugee who struck me with an electric torch as he passed me. As I was trudging along the road, a Japanese truck gave me a lift. A Japanese officer was in charge of the truck.

He told me it was a pity I was not a Chinese woman. "I can't shoot you because you are a western woman. I would do so if you were Chinese," he told me.

After the fall of Hsuchow, Miss Wilkinson proceeded to the headquarters of General Chung Yeo-ming, who presented her with a little donkey and a uniform, of which she was particularly proud. The following morning she rode the donkey to General Chien Yo-chah's headquarters at the foot of Nanchai Mountains, the other side of which were in Japanese possession. The Chinese had retaken it, and mounted their own guns and powerful telescopes. Miss Wilkinson described how she rode her little donkey to the top of the mountain and saw the Japanese bottled up in three little villages below.

Chinese Victory

En route to General Kwan Lin-cheng's headquarters, Miss Wilkinson joined the party of Miss Chang Yi-lien, Tass News agency representative. General Cheng who had been wounded four times, gave Miss Wilkinson an account of a 10-day engagement which had ended in victory for the Chinese, who lost 10,000 men but succeeded in driving the Japanese back. From the beginning of the battle, the Chinese had had no cover, not even a trench, Miss Wilkinson saw a fair amount of captured Japanese equipment, including machine-guns and witnessed four Japanese planes brought down over Nanchai Mountains.

"I was particularly anxious to get to Tsingtao, where I knew there was a British consul," she said. "I started walking along the Tsin-Pu railway line and was offered a lift in a Japanese troop train which, I was told, was going to Tsingtao. But they lied to me and I found, to my horror, that they were returning to Hsuchow. I could not leave the train before I was taken back to Hsuchow, and had to start my long journey over again.

"I started walking again, and on the second day obtained a lift in a Japanese railway trolley. I was sorry I ever accepted the lift, for my experiences were, to say the least, most unpleasant. I got off the trolley as soon as I could, at Lungchen, and was fortunate in meeting a courteous Japanese officer who realizing my plight, put me on a troop train which took me through to Tsingtao.

"For two nights and two days, I travelled in a compartment with 14 Japanese soldiers, sleeping on a mat in the compartment.

"At Tsingtao I was taken to the Japanese military headquarters, and later to a Japanese hotel. On the following day I was handed over to the British consulate and shortly afterwards left Tsingtao for Hongkong"

Miss Wilkinson expressed horror at the inadequate medical facilities in China.

"Thousands and thousands of Chinese soldiers are dying because they cannot receive treatment," she said. "The Chinese Red Cross does all it can to help them, but it is hopelessly handicapped by its lack of supplies. International aid must be given to China in this direction. It is the least that civilization can do for these unfortunate people."

Hangchow Divided Into 12 Autonomous stricts

To facilitate the enforcement of the mutual guarantee system, the Hangchow area has been divided into 12 autonomous districts, in each of which an office has been established and a director appointed by the new "city government," *Domei* reported.

Post Office to Reopen in Nantao

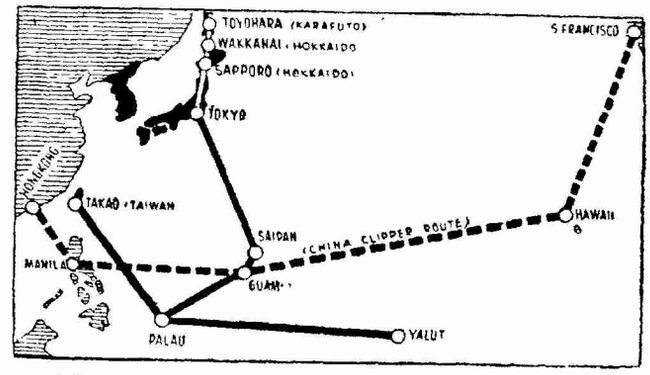
Arrangements are being made by the postal authorities for the reopening soon of Post Office branches in Nantao, *Domei* reported. Representatives were sent to the Chinese City recently to inspect the premises of the various branches situated in that area.

Proposed Japan-U.S. Air Route

To cope with the increased travel on its airlines, the Japan Air Transport Company will put in operation in the near future a number of passenger planes of the most recent American types, according to the *Tokyo Asahi*. It is also reported that the airline is pushing plans to open the route to the South Seas, where it would link with the Pan-American trans-Pacific line at Guam.

Travelers by air have increased, especially since the outbreak of the China Incident, only one-third of the applicants for seats finding accommodations at present.

The airliners to be put in service on the trunk lines of the air transport company include five hockheed Super-Electra WG3



The proposed air route to the South Seas to connect the Japan Air Transport with Pan American Airways at Guam.

10-seaters with twin 875 h.p. engines, capable of a maximum speed of 421 kilometers per hour. One of them covered the distance between Tokyo and Fukuoka in a recent trial hop in two hours 47 minutes.

The Japan Air Transport Company also has ordered several Douglas DC3 planes accommodating 21 passengers. They are to have twin 1,000 h.p. engines and are capable of 341 kilometers per hour. They will arrive in Japan by the end of the year.

The two Heinkel, 116 airliners, which the Manchou Aviation Company purchased from Germany a few months ago, will negotiate the Tokyo-Hsinking route via the Japan Sea in six hours regularly when the airline is opened in the near future.

At present, Douglas DC2 14-seaters, are operated between Tokyo and Taihoku via Fukuoka, AT 8-seaters on the Fukuoka-Dairen and Fukuoka-Hsinking sections, and Air-speed Envoy 8-seaters on the Tokyo-Sapporo, Fukuoka-Dairen sections and local lines in Taiwan and Japan Proper.

Hawaii Clipper Lost

All hope for the missing Pan-American Airways Hawaii Clipper was abandoned in Manila August 1 after one of the greatest sea searches in Far Eastern history failed to locate the giant transpacific air liner which disappeared July 28 with 15 persons aboard. The Hawaii Clipper would have been one of the ships Japanese planes would have contacted at Guam.

Exodus from Hankow Under Way

The Chinese Foreign Minister, Dr. Wang Chung-hui, left Hankow July 29 for Chungking, new capital in Szechuen Province. As the first of the Chinese Ministries, the Foreign Office has thereby removed to Chungking. The transfer of other ministries and non-military branches of administration has been arranged to take place not later than August 3.

The military authorities will remain at Hankow for the time being and are expected to be transferred later to Kiangsi Province. Foreign diplomatic missions are planning to remove their offices to the capital of Szechuen Province before the middle of August.

The French steamer "Fukien" which will be used for transport has already arrived at Hankow where the evacuation of civilian pupolation is being speeded up following the capture of Kiukiang by the Japanese although no feeling of panic prevails. The exodus of a large part of the population has become distinctly visible in street life and business. The foreign colony at Hankow numbers still approximately 1,000. Another international train left for Hongkong this week, one of the last opportunities foreigners had to leave Hankow in a southern direction.

Following the example of the French Settlement, the former British and Russian Settlements are in the meantime barricading the appreaches and protecting the boundaries with wire entanglements. Plans are being made to include the former German Settlement in a special zone which includes the British and Russian Settlements. The Chinese and Japanese authorities have been requested to recognize these three former foreign settlements as a special zone which is to be extended to the Peiping-Hankow Railway in order to establish refugee camps. Moreover, the foreign colony, in an exemplary co-operation of all nationalities, is organizing foreign auxiliary police, an auxiliary fire brigade and a committee for the relief of refugees

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th issue of The Review.

June 28.—Matang, strategic town on south bank of the Yangtse, below Kiukiang, remains in Chinese hands, but the forts guarding the barricade across the river have been captured by the Japanese, according to Hankow report. Chinese launching counter-attack to recapture the forts

Chungmou, on Lunghai Railway about 25 miles east of Chengchow, and Yushih about 30 miles southeast of Chengchow, recaptured by Chinese. Both towns were previously occupied by the Japanese on June 22.

Japanese reported to have following divisions in the field: 5 divisions west of Nanking, one division at Nanking, one division at Wuhu, one brigade at Anking, one Brigade at Siangkou, one division at Pukow, one division at Shanghai, one division in vicinity of Linfeng and another at Taiyuan in Shansi, one division arriving at Taiyuan from Peiping-Hankow Railway, one division in Suiyuan in addition to 4,000 "Manchukuo" and Mongol Cavalry units, one division at Hangchow.

June 28.—Some 2,000 Japanese marines reported landed (June 24) at Yuiping, near Chaochow, on Kwangtung-Fukien border, according to Canton correspondent of the **South China Morning Post.**

June 28.—Much speculation aroused by departure from Shanghai for Hongkong of Sir Archibald Clark Kerr, British Ambassador. Reported Ambassador Kerr going to Hankow on peace mission, but unconfirmed.

June 28.—Hankow faces problem of evacuating civilians from Wuhan area; limited transportation facilities hamper work of authorities; rentals in foreign areas soar to ridiculous heights (monthly rental for one room in French Concession runs from $300 to $500). Wuhan area has population of some 2,000,000. Only 8,000 can be evacuated daily.

June 28.—Marchese Francesco Maria Taliani de Marchio appointed new Italian Ambassador to China in place of Signor G. Cora, who is returning home for new post.

June 28.—The Special "International Train," carrying party of 189 foreigners of various nationalities, left Wuchang Station direct for Kowloon without stop at Canton. Twenty more foreigners to board train at Changsha, Hunan capital.

June 28.—German government officially notified of recall of Dr. Cheng Tien-fang, Chinese Ambassador to the Reich. Dr. Cheng to leave Berlin within month, and his successor, Chen Chieh, is not expected to arrive immediately. Chinese circles in Berlin view recall of entire German military mission as "unfriendly gesture to China."

June 28.—Japanese **Domei** reported conclusion of agreement for construction of railway between French Indo-China and Kwangsi province.

Contract allegedly signed in Paris April 22 between a F.150 000 000 French consortium and representatives of Chinese National Government.

June 28.—Y. C. Yang, Charge d'Affaires at Tokyo, who returned recently, appointed Director of Asiatic Affairs Department of Ministry of Foreign Affairs, Hankow.

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June 29.—Fighting for possession of Matang, important town guarding the Yangtse River barricade, continues with neither side yielding any ground. Japanese land troops at Huayang, on north bank of Yangtse opposite Siangkou, to attack forts guarding the boom.

Japanese offensive against Taihu resumed; attack said repulsed.

Fengmenkou, 20 kilometers west of Tsivuan, on north bank of Yellow River in northwestern Honan, opposite Loyang, captured by Japanese yesterday.

June 29.—Reports published in yesterday's Hongkong papers regarding alleged landing of Japanese troops at Yiuping, found to be incorrect.

June 29.—R. A. Bulter, British Under-Secretary of State for Foreign Affairs, gave assurance in House of Commons that so long as a legal government in China exists, the British Government will not recognize any puppet administration in China set up by the Japanese.

June 29.—Chen Teh-ming, official of the puppet "Ta Tao Government" of Shanghai, assassinated.

June 29.—Japanese authorities in Peiping admit that Japanese soldiers were responsible for the deaths of the Dutch Bishop Mgr. Schraven and of eight Catholic priests, who were killed in October..

June 29.—Miss Yu Wei-hua, 31-year old representative of People's Political Council, murdered at Hankow. Jealousy believed motive of crime.

June 29.—Mrs. Thomas H. Massie, wife of Lt. Thomas H. Massie of the U.S.S. Tulsa, who was recently slapped by Japanese sentry in Tsingtao, was said to have been mistaken for Russian taxi-dancer when he chellenged her, according to report published in **The China Press.**

June 29.—Chinese circles at Hankow express belief that German decision to recall Ambassador from China was apparently an "attempt to seek Japanese co-operation in the event of European hostilities." Hankow authorities agreed "in principle" to withdrawal of German advisors, but contend that legally the German Government has no right to interfere in the matter.

June 29. —"Japan may consider halting her drive on Hankow if Gen. Chiang Kai-shek would resign and surrender himself to the authorities of a new Chinese Government,"—statement made by spokesman of Japanese Foreign Office.

June 29.—Foreign population at Chungking numbered 291 at middle of June. These comprise 39 British men, and 37 British women; 24 American men and 14 women; 27 Frenchmen and 21 women; 16 Germans and ten women; two Russian men; five Greek men and four women; one Spaniard; one Swedish man and one woman; two Belgian women; one Dutchman; one Austrian; 46 Korean men and 36 women; and one Indian.

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June 30.—Chinese troops at Matang withdrawan to new positions in the hills between Matang and Pengtseh, though small Chinese unit still holding out within Matang forts. Virtual loss of area about the river boom admitted in Hankow, but Japanese warships have not yet passed boom. Severe fighting still proceeding in vicinity of Matang, where several Japanese warships are subjecting Chinese shore defences to severe shelling. Position on north bank of Yangtse remains unchanged, with Chinese and Japanese facing each other east of Taihu.

June 30. Twenty thousand Japanese troops have been transferred to Sinhsiang, on Peiping-Hankow Railway, from Kaifeng. During past few days over 10,000 Japanese troops advanced westward from Sinhsiang to attack Ponai and Sinyang, on Tao-Ching Railway, according to Chinese military communique. New Japanese offensive in northwestern Honan seen in the move.

June 30.—A large number of troop trains, carrying Japanese troops and artillery, arrived at Shanhaikwan from Tientsin yesterday and today, according to Peiping report. Speculation caused by movement, but believed attempt to check activities of Chinese guerillas who are threatening to cut Peiping-Mukden Railway.

June 30.—Japanese Central China Hydraulic Power Company capitalised at Y25.000.000 formed in Shanghai; Chapei Power Company taken over.

June 30.—Gambling dens operated openly in western area of Shanghai, fostered by the puppet "Ta Tao Government." Monthly taxes, and other forms of charges said amounting to $100,000.

June 30.—Heavy artillery fire heard west of Chapei (Shanghai) for nearly 24 hours; large-scale Japanese engagement with Chinese guerillas believed to have taken place; Japanese troops move in Hungjao area; Pootung also tense.

June 30.—Political circles in Berlin believe that Dr. Oscar Trautmann, German Ambassador to China, will not return to his post in China and will not be succeeded, according to Berlin correspondent of the London **Daily Telegraph.** Dr. Trautmann now on way of return to Germany.

June 30.—In a leading article under the heading "Great Britain's Far Eastern Policy," the **Ta Kung Pao** states that "Britain must be held largely responsible for what is happening in the Far East today." If Britain, with the object of bringing about peace, intends to pacify Japan, the newspaper declares, she will only aggravate the situation and sacrifice her interests in the Far East. Such action, the **Ta Kung Pao** adds, would also encourage aggressors in Europe.

June 30.—The China Development Finance Corporation at corner of Foochow and Kiangse Roads, Shanghai.

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reported sold to French syndicate at $1,500,000; French national flag now flying at top of building.

June 30.—The special "International Train" carrying 209 foreigners of various nationalities from Hankow and Changsha arrived at Hongkong.

June 30.—Sir Archibald Clark Kerr, British Ambassador to China, and his party arrived at Hongkong from Shanghai; said he was proceeding shortly to Hankow, but declining to make statement on report of possible British mediation in Sino-Japanese conflict.

June 30.—According to **Reuter** report from New York yesterday, Japan in may bought $1,420,000 worth of aircraft, China bought $947,000 worth, and the Soviet bought $924,000 worth from American manufacturers.

June 30.—General Chou Tsu-huang, Kwangsi Army Commander, dismissed from his post for incompetence in direction of military operations, the inspectorate-General for the Enforcement of Military Law announced. Decisions against a number of other officers are announced as follows:
Jan Kuo-chin, Regimental Commander, having been found guilty of resisting orders during military operations, sentenced to death.
Wu Chin-mi, Battalion Commander, found guilty of disobeying orders and retreating before the enemy sentenced to death.
Chao Wen-hsueh, Chief Adjustant, found guilty of resisting orders, sentenced to death.
Several other officers sentenced to long-term imprisonment.

CHINESE GUERILLAS DRIVING TOWARDS SHANGHAI

(*Continued from page 312*)

and south banks of the Chientang River, as the Japanese troops are preparing to cross the river. The Chinese are stated to be keeping a close watch against the Japanese movements.

The *Morning Leader* learned from a recent arrival from Hangchow that Chinese guerillas are now nearing the Lakeside city and that the Japanese attempts to cross the Chientang River by way of Fuyang have been repeatedly frustrated as a result of the stiff resistance offered by the Chinese. A Chinese column, he further stated, has reached Lingchiachiao, about 20 kilometers from Hangchow, where a serious engagement occurred a few days ago, gunfire being audible in the Lakeside city.

With the approach of the first anniversity of the Shanghai war, the Japanese military authorities, according to the *Ta Wan Pao*, have started to enforce precautinary measures in the Hongkew and Yangtsepoo Districts where some 100,000 Chinese are said to be residing. Only people who possess Japanese military passes are permitted to enter or leave the districts, and curfew law will be enforced at 8 o'clock daily beginning from August 7 and ending on 15. All Japanese factories in these areas have been ordered to suspend operations until August 15.

Uneasiness is reported to be prevailing in Chefoo where Chinese guerillas have been constantly harassing the Japanese in the suburbs of the city. There are at present about 800 Japanese blue-jackets and armed police units of the bogus regime defending the town. Curfew law is enforced at 8 o'clock every night.

Shansi Guerillas Active

With the collaboration of the 8th Route Army, which is famous for its guerilla tactics, the Chinese forces operating in Shansi are reported to be preparing to launch a counter-attack on Taiyuan, the provincial capital of Shansi in two columns; one from Yungcheng and the other from the west of Taiyuan. Chinese guerillas operating in eastern Hopei are stated to have occupied the areas along the Great Wall between Yungningchen and Tushihkou on the Hopei-Jehol border. Since July 23 ssrious fighting has been raging in Tsunghua and nearby towns in east Hopei. Due to their mobility and the support given them by the local populace, the guerillas are rapidly gaining strength in the eastern part of Hopei, and the western section of the Peiping-Liaoning Railway and the eastern section of the Peiping-Suiyuan Railway are now being threatened by the guerillas.

The first anniversary of the outbreak of the hostilities in Tientsin on July 29 was marred by a serious attack on Ssuyingmen launched by Chinese gureillas shortly after 9 o'clock in the evening. Two bombing incidents are stated to have occurred on the anniversary day. One bomb was thrown into the office of the Yung Pao, now a Japanese organ, and another into the office of the Federated Reserve Bank" of the "Provisional Government," Both missiles exploded, but no casualties were caused.

Chinese guerillas forces are further reported to have recently attacked the city of Tangshan, where the branch office of the "Federated Reserve Bank," and many other bogus organs have been wrecked by the guerillas. Another mobile band recently launched a surprise attack on Chinwangtao, and after having engaged the Japanese in an all-night fighting they withdrew to their base the report further stated.

British Woman Figures in Two Incidents Here

MAJOR foreign-Japanese incident of the week was the assaulting of Sergeant W. W. L. Hamlyn, British member of the Municipal Police and the rough handling of Mrs. Dorthea Lintilhac, British, on July 29, and the arrest and detention of Mrs. Lintilhac along with Mr. A. S. Hersee, also British, on July 31.

The first of the series of two incidents involving Mrs. Lintilhac took place on Garden Bridge. Rough handling by Japanese sentries was the result of the British woman crossing the bridge on the right side. Under current Japanese regulations, pedestrians are supposed to cross on the left side. Sergeant Hamlyn's intervention caused him to be pushed about and to receive several blows. Sentries adopted a menacing attitude, with bayonets fixed and lowered for action.

The second of the two incidents (July 31) brought a verbal protest from Sir Herbert Phillips, British consul-general in Shanghai, when he visited Japanese Consul-General S. Hidaka and lodged a complaint against treatment of British subjects by Japanese servicemen. The incident took place on Chapoo Road Bridge when Mr. Hersee, manager of the Broadway Mansions, and Mrs. Lintilhac crossed on the left hand side of the span, behind the sentry box. They were in custody for four hours.

Although while the matter is still under diplomatic negotiation no public authoritative statement can be made, it is understood that strong pressure will be brought to bear in order to secure a guarantee from the Japanese against further incidents of this nature. Details of the incident will be forwarded to the British authorities at home through ordinary channels, but, *The China Press* understands, it is hoped here that the matter will not be made a major controversy but settled locally through stricter disciplinary measures on the part of the Japanese military, naval and marine headquarters.

Written Protest Due

It was also learned from other sources that the British authorities here may make written representations to the Japanese consulate-general in the near future.

The Nipponese version of the affair, as given by the Japanese naval spokesman at the August 1 press conference, claims that Mrs. Lintilhac attempted to argue with the Japanese sentry. At 11.20 o'clock July 31 according to the spokesman, the foreign couple, coming from the direction of Hongkew, crossed Chapoo Road Bridge on the left hand side of the roadway, passing behind the sentry box. "The sentry ordered them to stop," the spokesman alleged, "and through the intermediary efforts of a Shanghai Municipal Police constable (presumably a Japanese) informed them in English that the passage behind the sentry box was limited to Chinese coolies in general.

"At this point Mrs. Lintilhac said that, since the road belonged to the Municipal Council, it was not the business of the sentry where she passed. She not only refused to listen to the sentry's admonition, but appears to have telephoned to the Shanghai Municipal Police. Moreover, Mr. Hersee attempted to obtain the name of the sentry. They were thereupon sent to the headquarters of the Settlement Defense Force of the Japanese Special Naval Landing Party, where they were questioned. They seemed not to admit that they were in the wrong. They were released at 3.20 p.m. upon instructions from headquarters," the spokesman concluded.

According to Mr. Hersee, one of the Japanese sentries drew a gun and pointed it at him, while two others held him by the arms. When Mrs. Lintilhac returned, he said, she was also taken into custody. They were then marched off to a small post on Tiendong Road, one sentry walking behind them and pointing a gun all the while. Asked to apologize, Mr. Hersee refused to do so, he stated, and later, they were taken to the Hanbury School for Girls, where another Japanese post is situated. There, Mr. Hersee stated, he asked for permission to notify his consulate, but was refused.

Local Underworld Active

Shanghai's underworld also was busy. Extortionists captured Zee Ying-pah, puppet secretary of the Quinsan "Peace Preservation Corps." They demanded $10,000 to spare his life. His son, sent to get the money, met a Japanese at North Station and told him the story, and the latter informed the Municipal police. The result was that the puppet was released and four gangsters landed in jail.

Wei Pei-zung, 61-year-old merchant, kidnapped last week by five men, was released several days later when a Formosan girl nabbed in the Oriental Hotel. She had been placed there as a go-between for the collection of the demanded $2,000 ransom. Wei also was reported to be associated with the "Reformed Government" in this area, holding the post of Pacification Commissioner in Taichong, Kiangsu.

Japanese Youth Kidnapped by Bandits

A Japanese youth was kidnapped by bandits on July 26 near Yuntaishan, about four kilometres from Lingchaochen. The present whereabouts of the youth, Junichi Nakajima, is unknown, according to the *Nippo*. Nakajima, aged 28, No. 776 Dixwell Road, is an employe of the Gosho Kabushiki Kaisha. He had been in the vicinity of Tangkiacha, Nantung District, Kiangsu Province, buying cotton since March.

Father Jacquinot No Longer Missing; Returns After U. S. Trip

Father Jacquinot whose "disappearance" in Japan was headlined in Shanghai's press for many days last week, returned to Shanghai August 1, with the report that America is still keenly watching developments in the Far East. His disappearance was explained by his interest in Japan's floods and the desire to rest at the seashore in Japan for a few days.

Concerning America, he said that the nation feels the future of world peace depends on the developments here, and particularly between Russia and Japan.

Father Jacquinot, looking well and healthy on his return after a long absence from Shanghai, revealed that it had been suggested that he should tour England and the Continent to aid in raising funds for refugee relief work in China, but, he added, "Here I am. I wanted to be back with you again."

He reluctantly denied to *The China Press* that he had returned to China with immense sums of money for relief works, as it had been rumored in some quarters. "I am happy to say, however," he continued, "that some U.S. $700,000 has been collected by the American Red Cross, and the efforts of the American Civilian Relief Committee resulted in the collection of more than U.S.$1,000,000.

"So responsive were the American people to the campaign, that I feel certain that if another drive were necessary, I would be optimistic of its outcome. I would like to say here that it was not until it was explained quite clearly to the American people that the Japanese authorities were participating in relief work that the response became most marked. The Americans are most anxious to avoid any friction with other countries in connection with the situation in the Far East.

Two Americans Reported Slapped in Chefoo

Another slapping incident in which two Americans were involved took place on July 28 in Chefoo, according to reports received in Shanghai August 3. The two Americans were Mr. Albert Wilkins, who is employed by the Chefoo Hotel, and Mr. Harry Clark, United States Navy, retired. The report revealed that Mr. Wilkins and Clark were walking on Chefoo streets at about 11.30 o'clock on the night of July 28. The time was half an hour after curfew in the city.

A Japanese naval patrol, which was on the street, stopped the two Americans, the report revealed. Some discussion took place, after which the two were slapped, the message stated. The incident was immediately reported to the American Consulate, which made representations to the Japanese on the matter.

On the following day, the Japanese naval authorities informed the American Consul that they would accept responsibility for the incident. They also stated that the patrol which was responsible for slapping the Americans had been punished. At the same time, orders were issued to the Japanese forces that no similar incident must happen in the future, the American authorities were informed.

2,326 Japanese Soldiers, Sailors Get Posthumous Honors

For the second time since the commencement of Sino-Japanese hostilities, posthumous honors were conferred on 2,326 Japanese soldiers and bluejackets, including 66 seamen and naval officers, the Bureau of Decorations of the Cabinet announced in Tokyo July 28,

Lieut.-Col. Takatsuchi Komori led the list of 2,260 slain soldiers honored, receiving a decoration of the Third Order of the Golden Kite and the Third Order of the Rising Sun. Major Kanae Fujita was honored with the Fourth Order of the Golden Kite and the Fifth Order of the Rising Sun. Although he was a lieutenant, Kenji Maruyama was decorated with the Fourth Order of the Golden Kite and the Sixth Order of the Rising Sun in recognition of his meritorious services at China fronts.

Of the 66 naval war dead, eight flight officers and warrant officers received the highest decorations. First came Flight Lieut.-Commander Senzo Yasu, who was decorated with the Fourth Order of the Golden Kite and the Fifth Order of the Rising Sun. Flight Lieut.-Commander Ibun Sakamoto also was awarded the Fourth Order of the Golden Kite and the Fifth Order of the Rising Sun. Flight Second Sub-Lieutenants Taneo Inutsuka, Tokuzo Fujimura and Tomekichi Tazawa were decorated with the Fifth Order of the Golden Kite and the Sixth Order of the Rising Sun. Flight Chief Warrant Officers Hideshi Wakita and Susmuu Sato and Flight Second Warrant Officer Ikuo Kato were awarded the Fifth Order of the Golden Kite and the Seventh Order of the Rising Sun.

Of the naval war dead, 56 were granted decorations of the Golden Kite, the highest honor, although the order is different according to rank.

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MOSCOW VIEWS JAPAN'S AGGRESSION

(*Continued from page 311*)

five provinces in North China were occupied. But after they had over-run the northern part of China, the Japanese were not only unable to conclude the war but were compelled to spend still greater sums to keep up the activity of their troops in China. Besides, the Japanese cannot subjugate, once for all, the guerilla units organized by the Chinese people.

As a result of the war, Japan's economic conditions become still worse. Her export trade is brought almost to a complete standstill. For all her success in Shanghai, Japan's export trade with China has been altogether held up. Even her export trade with India and the Dutch East Indies has greatly dwindled. Besides, in many countries, the people have voluntarily started aboycott of Japanese goods.

According to one estimation, Japan's indebtedness to foreign countries through trade had reached a total of Yen 1000 millions in 1937. This gives us some idea of the vast import of munitions and the accumulation of war materials. The import of materials not connected with war has been reduced to the lowest possible amount at present. The export of industrial products, especially textiles and silk fabrics, has fallen considerably, and the factories are compelled to narrow their sphere of activity. The output of cement has fallen by over 60%. In the munition industries, the scarcity of the necessary raw materials is keenly felt. Owing to the insufficiency of petrol, the Japanese Government had to restrict the use of motor-cars in many towns and even to forbid the running of the bus service at night. To economize the use of fuel, again, railway trains now carry a lesser number of coaches in their regular trips. In the Japanese stock exchange, the same atmosphere of gloominess prevailed and if ever anything should occur that could cause uneasiness to the dealers, such as the convention of the Brussels Conference and the formation of the Imperial Headquarters, there would be a tremendous drop in the market quotations. It is announced in the Japanese Gazette that the bonus on shares of such large concerns as the Mitsui and the Mitsubishi has also been reduced.

War Finance By Bonds

Japan's sole means to raise war expenses is the issue of bonds It is estimated that the Japanese budget for this year together with the "red-figure" bonds will amount to some Yen 8,000 millions, most of which will be spent in war.

Beeause of the heavy military expenditure, the Japanese Government has to increase taxes. What terrible effect this news had on the people can be easily seen from the fact that the Japanese Government had afterwards to issue a special notification saying that "the complete revision of the taxes is postponed but a certain adjustment of the taxation system is imperative at present." Should the military dictatorship slacken a little, the reactionary forces would be able to assert itself still more markedly. It is an undeniable fact that under the pressure of the "emergency regulations governing industrial enterprises," the Japanese proletariat has been "placed under control" and made to suffer under the factory-owners. In the Japanese magazines, we find many absurd arguments advanced by students of economics. Some even advocated that in time of war, woman and child labour must be fully exploited so as to increase production, and the reason given is that the men and workers have been called to the cloours and that "the production of the country has obviously decreased." Such views show how the Japanese capitalists have tried to make use of the current situation to obtain arbitrary power.

It must be pointed out that in the process of any war Japan would set up a hundred-per-cent powerful military dictatorship. This practice was adopted long ago, and its fullest expression is the establishment of the commonly-known Imperial Headquarters. The real meaning of this organization is that after its establishment the Japanese militarists will no longer submit to the control of the Government but will assert their power at their own discretion.

The present Imperial Headquarters is the third of its kind in Japanese history. The first was formed in the time of the Sino-Japanese War (1894-5) and the second in the time of the Russo-Japanese War (1904-5). As soon as the Imperial Headquarters is established, the Government will lose its control over the important affairs of the state.

Though the Prime Minister and the other ministers, members of the Privy Council, and other high Government officials may also be invited to the Imperial Headquarters, yet they come only as advisors and have no voting power. Such a state of affairs is most evident in the time of the present war.

According to Japanese press reports of November 29, last year, a Coordination Council would be formed in order to bring the Imperial Headquarters and the Government into close cooperation. The members of their Council would include the Prime Minister, War Minister, the Naval Minister, the Vice-Chief of General Staff, and the high officials in the War and Naval Ministries. It is easy to foreasee what result will come from this Council, in which there is only one civil official to stand against more than half-a-dozen military men. And this will enable us to understand why the commercial circles in Japan were scared at the new sof the formation of the Imperial Headquarters, and why there was a tremendous fall in the value of the sceurities. It is a common belief in the industrial and commercial circles in Japan that after the establishment of the Imperial Headquarters, the General Staff Office will still more unreservedly encroach upon the economic activities of private concerns in order to raise money for the continuance of the present military adventure.

Unified Command

Another interesting point to note is that, while in ordinary times the Japanese Army and Navy are two separate independent bodies under different commands, in time of war the Imperial Headquarters brings them under a unified command. As Japan had not yet formally declared war on China, there was a heated argument between the Japanese military and naval authorities, immediately before the establishment of the Imperial Headquarters, as to whether Japan should declare war on China concurrently with the formation of the Imperial Headquarters.

The Japanese Navy has long been jealous of the political power of the Japanese Army. It therefore insisted that before the formation of the Imperial Headquarters Japan should first of all declare war on China, The Japanese Army, on the other hand, held that the formation of the Imperial Headquarters would mean a Sino-Jpaanese war, declared or undeclared.

The Japanese Army not only aims at establishing a military dictatorship in the present time of war but also hopes to launch in the future a military adventure on a still greater scale. In consequence, the Japanese Military General Staff insists that Japan should not yet declare war on China, thinking that, in point of fact, the present war is one against Communism. According to the Japanese Army, the object of the formation to Imperial Conference should be to meet the "possible developments of the incident" and to extend the sphere of war. This manifest aim of the Imperial Headquarters gave a new cause for eunasiness to the industrial and commercial circles in Japan.

Choosing the lesser evil, the representatives of the Japanese bourgeosie think that, as they cannot stop the formation of the Imperial Headquarters, they have to support wholeheartedly the view of the Japnaese Navy, arguming the necessity of declaring war on China. They hope that by this move they will be able to check the ambition of the militarists and confine their energy to the military activities in China.

Unfortunately, it was the adventurous elements who came out victorious at the end. The Japanese Military General Staff's wish of establishing an Imperial Headquarters was realized, and undoubtedly, besides the annexation of China, the Japanese militarists are dreaming of despatching their forces to another direction.

The activities of the Japanese militarists, the instigation of the Japanese press, and the outspoken anti-Soviet views of Sadao Araki, all show that the Japanese militarists have not forgotten their plans to attack the Soviet Union and the Outer Mongolian Republic. The Soviet press has pointed out that the Japanese Government should be responsible for Araki's recent utterances agianst the Soviet Union, since he is a Government official and therefore an advisor to the Japanese Government.

It is obvious that the most important evidence of the intensification of Japan's aggressive policy, especially of her anti-Soviet policy, is the German-Japanese "Anti-Communist Alliance" and the most recent "Japanese-Italian Alliance." These aggressors join together for the purpose of bringing on a World War, and the ambition of the Japanese General Staff in this line has by no means subsided during their present war with China.

Exploit Masses

The Japanese militarists are not satisfied merely with the establishment of the Imperial Headquarters (although this already means the setting up of a complete military dictatorship) but are also eager to exploit the laboring masses in Japan in order to carry out the second stage of their aggressive plan. At the repeated request of General Sugiyama, the Japanese War Minister, numerous organs established for the "regulation" of war-time economy have come into existence. A "Planning Bureau" has also been set up for the express purpose of mobilizing all the economic forces in Japan. In addition, a special bureau has been organized for the control of fuels.

With astonishing rapidity, the Japanese Government set up many organizations, held conferences and appointed commissions, all to serve as connecting links among the many-sided functions of the military machine. In outward appearance these organizations are all placed under the direction of the Prime Minister. In point of fact, however, all important problems connected whether directly or indirectly with military affairs are to be decided by the Imperial Headquarters. In October 1937, an advisory body to the Cabinet, composed of ten representatives from various strata of society, was formed so that the respective views of these strata might be brought to the notice of the Government. A special feature of this body is that it does not represent its members as a bloc. In the meeting, each of the members can say what he likes and it is not necessary that they hold a common view in regard to any question. In choosing the members for this body, care has been taken to maintain an equal number of Fascist militarists and noted moderates, so that the two factions may have equal chances of expressing their views. Among the members there are Sadao Araki, a retired Fascist General, and his political enemy, Kazushige Ugaki, a noted Liberal General, both from the Army; Admiral Suetsugu, a Fascist

Who's Who in China

高顯鑑
Kao Hsien-chan

Kao Hsien-chan, Government official and educator; born at Kweilin, Kwangsi province, 1891; graduate of Szechuan Political Institute, 1914; Director of Political Department of Szechuan Provincial Rehabilitation Headquarters, 1920; Director of Szechuan Provincial Consolidated Tax Bureau; 1922; Director of Szechuan Business Tax Bureau, 1924; Director of Szechuan Provincial Opium Suppression Bureau, 1926; advisor to Szechuan Provincial Mass Education Association; President of Szechuan Provincial College of Education, since 1935; publisher and editor of the "Modern Age Monthly;" address: Szechuan Provincial College of Education, Tsitsikow, Chungking, Szechuan.

and Admiral Abe of the more conservative group in the Japanese Navy.

The manner in which the members of the advisory body are chosen shows that in Japan today there still exists a force which opposes the adverturist policy of the military, although this force is not very powerful at present. Yet we must remember that, when the advertist policy of the militarists comes to its final collapse, this opposition group will be able to assert itself.

We must take notice of the international developments, especially the cooperation of the aggressive nations and the passive policy of the capitalist democratic countries who make no attempt to check the aggressors but even try to come to a compromise with them. The action of these latter countries has given Japan a better chance to carry our her plundering of China.

The fruitlessness of the Brussel Conference has further emboldened the adventurous Japanese military adventurers. At the beginning of this Conference, every clear-headed Japanese statesman believed that the Conference was called as a protest against Japan's intensiffied aggression. Later on, when the impotence of the Conference became apparent, the Japanese militarists loudly shouted the "invincibility of Japan," thinking that all the world was afraid of her and no country would dare to stand in her way.

The bombing of the Panay did incur a strong protest from the U.S. Government, but soon afterwards the tension of the situation was removed by the Japanese "apology." It is doubted that this formal "apology" offered by the Japanese diplomats can help to modify the "principle" of aggression so firmly held by the Japanese Fighting Services.

Japanese imperialism has learnt the method of intimidation employed by German and Italian Fascism against British. The attack on British merchantmen by the Japanese, the occupation of British warehouses in Shanghai, the insults to British subjects and the assaults on their persons, the daily exercations against Britain as found in the Japanese press, all these rae intended by the Japanese Government as intimidations to Britain.

Meanwhile the Japanese are spreading rumors of China's suing for peace in order to undermine the strength of China national defence. Such rumor was busily at work when Fascist Germany came forward to mediate in the Sino-Japanese dispute.

For obvious reasons, German Fascism does not quite wish the present Sino-Japanese war to continue for a long time. German imperialism sees clearly that Japan's strength, especially her economic strength, does not enable her to have a long war. In addition, according to all the information at hand, Japan has not announced (certainly not to her ally, Germany) that she would share her gains in China with other nations. As Germany's trade with China has suffered severe losses because of the war, German merchants in China, contrary to the express orders from Berlin, show great repugnance at the Japanese activities in Shanghai. This has led to a formal protest by Japan to the German Government.

The Japanese militarists and German Fascists both try their best to break the cooperation between the Kuomintang and the Chinese Communist Party. Undoubtedly the object of their effort is to throw China into another civil war, and to weaken her political strength, inational defence and her whole economic structure. Nevertheless, so general is the feeling against Japan in China at present that, even if some Chinese militarists should dare to come forward to arrange terms with the Japanese and to try to break up the united Anti-Japanese front, they would have to look out for their own lives, since their subordinates would never cooperate with them.

Japanese Militarism on the Path to Destruction

The Japanese policy toward China which Prince Konoye, the Japanese Prime Minister, takes so much trouble to explain, does not aim at anything surprisingly new. Its principal object is to break up China's unity and to set up a puppet government in each of the segregated parts. The first act of the comedy they stage will be the creation of a puppet "Mongokuo."

The Japanese are thinking of making a second Henry Pu Yi of Prince Teh for the "Mongokuo." Prince Teh has been intriguing with the Japanese for many years. As to the actual form of government the "Mongokuo" is to take, the final decision has not been arrived at as yet. According to her plan, Japan would declare Prince Teh to be a "descendant of Genghis Khan" and then create an "Empire," modelled after the "Manchukuo." Nevertheless, she still lacks the necessary characters to perform in the comic act. S. Itagaki, an old hand in the manufacturing of puppet states, is at his wit's end in that matter. As a result, the Japanese militarists have to content themselves for the time being with the simple declaration that Inner Mongolia is "independent" of the Chinese Central Government.

At present, the Japanese militarists are also occupied with the problem of how to control the occupied territories in North China. Prince Konoye has openly declared that the Japanese Government would recognize the "New Peking Government" as the central government of China. For the convenience of carrying out this principle, Japan recognizes Franco's Fascist Government as the "legal" government in Spain.

Nevertheless, a declaration by Prince Konoye would not be sufficient to produce a break-up of China. The Chinese people have time and again signified their determination to fight to the finish—to drive the Japanese bandits from the territories of China altogether. In this respect, they have won the sympathy and support of the advanced and progressive nations of the world.

The capture of Shanghai and Nanking made the Japanese militarists believe that Japan might be able to face a protracted war. However, when the news of the occupation of Nanking reached Tokyo, the people did not seem at all elated, but on the contrary they felt a sort of new terror. Shanghai has been occupied, but at what price? Besides, while in the battles round Shanghai, the Japanese could make a combined attack with their army and navy and their air force, they would be deprived of this advantage when they penetrated into the interior. Again, in Shanghai, the Chinese made limited use of their artillery as they feared that their shells might fall into the foreign settlements or hit foreign warships, but in the interior they would not be worried by such consideration.

Critical Home Conditions

The inexhaustible resources in China, coupled with the strong determination of her people to fight on, would upset the plan of the Japanese militarists and render futile the temporary occupation of Chinese territories by the Japanese. At the same time the Japanese militarists will find it hard to prevent the critical conditions at home from reaching the breaking point.

The unlimited mobilization would result in numerous peasants and poor workmen being called away to replenish the army. The people of China on their part will rise and resist their enemy zealously, and the war will continue for a long time. The Japanese soldiers will also understand more easily who actually is their enemy, and by then, they will refuse to be deceived by their war-mad militarists and join the struggle against Fascism and War.

Japanese Say Chinese Fighting for Them in Suiyuan

More than 2,700 Chinese soldiers, formerly under the colors of the Nationalist Government, are now engaged in attacking Communist troops and Chinese guerillas in Suiyuan and Charhar under the jurisdiction of the Monkiang Federated Autonomous Government in co-operation with Japanese or Mongolian troops, Japanese authorities claim. The latest addition to Mongolian troops under the command of Prince Teh, chairman of the Monkiang Government, consisted of 150 bandits led by Lan Jui, who surrendered to Japanese troops at Kuyang recently.

Gathering at a public hall Houho, representatives of the surrendered soldiers pledged allegiance to Japanese troops on July 27, *Domei* reported.

Currency, Trade Policies of Peiping Revised

Currency and trade policies of the "Provisional Government of China" will enter a new phase with the adoption of plans mapped by Japanese authorities in co-operation with Peiping officials. A wholesale license system will be adopted for the importation and exportation of goods in North China trade.

With a view to increasing foreign currencies held by the Federal Reserve Bank of China, permission of the Government will be needed to export staple products in North China and import materials based on a principle of linking exports with imports. In line with the policy the "Government" will take steps to carry out a barter system in trade with foreign countries, including Germany.

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Men and Events

A. L. Nutt, Acting Australian Trade Commissioner in China, has returned home to accept a new position in Perth, West Australia.

W. Stark Toller has been appointed British Consul-General in Chungking in place of E. W. P. Mills who has returned home on leave.

Yuan Ke-an, eleventh son of the late Yuan Shih-kai, sailed from Yokohama on July 29 for a trip to the United States and Europe.

The Japanese Army has sent several Mongolian girls to Tokyo to make gramophone records of Mongolian songs for propaganda use in Japan.

P. D. G. Gain, Honorary Trade Commissioner in China for the Union of South Africa, has returned home on leave. During Mr. Gain's absence the office will be closed.

Owing to the departure from Shanghai of J. M. Ferrer, Consul-General for Venezuela, the offices of the consulate-general for that country have been closed temporarily.

Lieut.-Gen. Kyosuke Kawamura, recently commander of a detachment of Japanese troops in North China, but previously a division commander in Manchuria, has been recalled to Tokyo.

Dr. Martin Fischer, German Charge d'Affaires arrived in Hankow on July 28 to take charge of German Embassy in the absence of Dr. Oskar P. Trautmann, who has gone home on leave.

The Chen Cheng Tobacco Factory in Tientsin, owned by Greek interests, has been sold to the Japanese who will operate the plant in future. The price paid, according to the Japanese paper, *Hsin Shun Pao*, was $1,000,000.

Dr. Fritz Sellmayer of the German *Trans-Ocean News Service*, has returned to Shanghai from a trip to Japan. Hans Melchers, manager of *Transocean* has gone to North China on a business trip. He will return in a month.

Pearl Buck, well known American authoress, is shortly returning to China, according to a report in the *China Evening News* which stated she intended to engage in relief work and also collect material for a new book.

Mrs. Joseph C. Grew, wife of the American Ambassador to Japan, is making a tour of Manchuria in company with a party of American school teachers who are traveling in Japan as guests of the Culture Bureau.

Father E. Gherzi, S. J., director of the Siccawei Weather Service Observatory, has gone to Europe to attend the annual conference on International Marine Meteorology in Utrecht. He plans to return to Shanghai in four months.

The large cigarette factory in Pootung, owned by the British-American Tobacco Company, which has been closed for several months due to a falling off in demand for cigarettes, is shortly to resume work, according to a report in the *Wen Hui Pao* on July 29.

J. Sallens, French Commercial Attache in China, stationed at Shanghai, has departed on an inspection trip to North China and Manchuria, following which he will proceed to France on home leave. During his absence Monsieur Vibien will have charge of the Commercial Attache's office.

The China Import and Export Lumber Company has resumed occupation of its former office at 1428 Yangtszepoo Road, from which it was forced to evacuate at the beginning of the hostilities a year ago. The offices of the company in the city have been removed to Hamilton House.

Students and faculty of Fukien Christian University at Foochow have been compelled to move to Shaowu in the northwestern section of the province adjacent to the Kiangsi border. The town of Shaowu is on the upper reaches of the Min River in the Tayuling Mountains.

Mrs. William H. Harkness, Jr., who took the first Panda to the United States and sold it to the Chicago Zoo has arrived in Shanghai from Szechuen where she went to obtain another of the bear-like animals. One that was being held for her in Chengtu was found to be too savage and uncontrollable to be taken to the United States.

Dr. Chang Po-ling, President of Nankai University, Tientsin, which was destroyed by the Japanese Army at the beginning of the hostilities in North China, has gone to Tzeliutsing, southwestern Szechuen, where a new location for the University will be selected. Dr. Chang is also Vice-President of the National People's Political Assembly.

Wilbur Burkhardt, 22, son of Wilbur Neil Burkhardt, editor of the San Francisco *News*, will arrive in Japan shortly to join the staff of the English edition of the Osaka *Mainichi*. He plans to spend considerable time in Japan making a study of Japanese journalism. According to the report in the *Mainichi*, young Burkhardt will be welcomed to Japan because the San Francisco *News* "has always maintained a fair attitude toward Japan."

The Chinese Executive Yuan has announced the following appointments in the Diplomatic Service, Chu Ying, second secretary at Rome, promoted to first secretary and placed in charge; Liu Hsi-chang appointed second secretary of Legation in Rio de Janeiro; Hsu Tse appointed third secretary in Berlin; Lu Hsin-yu appointed Consul at New York; Li Hsun appointed Consul at Singapore; Lei Sung-sheng appointed consul at the Consulate-General in Paris.

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Vol.	34,	No.	4	Sept.	26, 1925
Vol.	44,	No.	9	April	28, 1928

Please mail with statement to

THE CHINA WEEKLY REVIEW

160 Avenue Edward VII

Shanghai

In the United States Court for China

IN RE ESTATE OF

ELEANOR MEADE GIBSON,

Deceased.

Cause No. 4344
Special Proceedings
No. 2223
NOTICE
Filed at Shanghai, China, August, 1, 1938.
William T. Collins, Clerk.
By E. J. Collins, Dep. Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the Estate of Eleanor Meade Gibson, deceased, to present the same with vouchers to the undersigned on or before 7th day of February, 1939, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

George Frederick Shecklen,
Administrator of the Estate of Eleanor Meade Gibson, deceased.

c/o R.C.A. Communications, Room No. 202, Sassoon House, Nanking Road, Shanghai.

Shanghai, China.

Aisaku Inoue, head of a Japanese language school in the State of Oregon, has arrived in Shanghai, for the purpose, according to *Domei* of informing the Japanese Army Headquarters here that Japanese residents of Oregon have exercised great effort "to present to Americans the Japanese viewpoint on the current hostilities.

Henry Ford, famous American motorcar manufacturer, was awarded the Grand Order of the German Eagle, in recognition of his automobile, by Chancellor Adolf Hitler, according to a dispatch from Washington (*United Press*) on July 30. The report stated the honor was the highest ever bestowed on a foreigner by Germany.

Fu Siao-en, for many years prominent in business in Shanghai, but in recent years in retirement, has brought an action for libel against the University Press, publishers of the Chinese paper *Ta Ying Yeh Pao*, an evening Chinese language newspaper. It was charged in court that the paper recently referred to Mr. Fu as a member of the Shanghai Civic Association, a pro-Japanese organization. Mr. Fu was represented by R. N. Macleod while the Chinese paper was represented by J. R. Jones. The case was heard by Judge Sir Allan Mossop in the British Supreme Court.

The July 4 issue of *Time Magazine* contained on its front cover a picture of Otway Hebron Chalkley, former resident of this city who is now president of Philip Morris and Company, Ltd. Inc., manufacturers of cigarettes. Mr. Chalkley came to Shanghai with his bride, the former Rachel Riley of Boston, in 1920, to become assistant manager of the Tobacco Products Export Corporation, which had a factory here. The Tobacco Products Corporation was a subsidiary of the Philip Morris Company. Later, Mr. Chalkley returned to the United States to become treasurer of the company and recently its president.

John Alban McCausland, graduate of Oxford in 1935, who has traveled and studied extensively in China, has decided to become a Chinese citizen, according to a report in the Hankow *Ta Kung Pao*. Mr. McCausland arrived in Hankow recently and announced his intention of discarding his English name and taking the Chinese name of Ma Pin-ho, which will become his legal name following granting of naturalization papers. McCausland is 26 years of age, has dressed in Chinese clothes almost continuously since his arrival. Recently he has edited a Chinese magazine known as *Humanity*. According to the *Ta Kung Pao*, McCausland has recently been serving as an adviser to the Political Training Department of the National Military council.

The following is an extract from a letter written by a foreigner who recently returned to a city where he previously had been stationed, in Kiangsu Province: "Our city is a sad and sorry sight. The whole center of the city, the business district, is completely burned to the ground. The former busy market district outside of two of the city gates has also been has burned . . . . The once prosperous, busy and happy city of 100,000 people is more than six-tenths destroyed. The street where the church is located, was completely burned out on both sides . . . . the church was looted badly, only the altar and half a dozen pews escaped destruction . . . . The compound and houses were littered with refuse and filth of every description . . . . Small trees and shrubs were torn up or trampled down . . . . The whole place is in ndescribable confusion."

Shipping Service Resumed to Tsungming Island

Steamship service between Shanghai and Tsungming Island and between Shanghai and Chitung, on the north bank of the Yangtsze, has been resumed, thus facilitating the transportation of goods from those places to Shanghai, *Domei* reported last week. Ships operated by Nisshin Kisen Kaisha are leaving Shanghai for Tsungming daily. A large number of Chinese passengers, most of whom are former inhabitants of Tsungming, availed themselves of the opportunity to visit the island last week.

Japan Issues Permit for Round World Plane

A permit for a four-motored German airliner to fly over Japanese territory in a flight around the world has been issued by the government, it was announced July 28. The German Fokker plane, which carries 24 passengers and has a maximum speed of 430 kilometers an hour and a cruising speed of 330 to 370, will hop off at Berlin on Aug. 8 for Tokyo in an attempt to fly 35,800 kilometers around the world with eight stops.

Red Troops Reported Repulsed In Shansi Attack

An attempt by Communist soldiers of the Eighth Route Army to recapture Taihsien, about 185 kilometers north of Taiyuan in Shansi, was frustrated July 31 by Japanese troops, *Domei* reported. The Communists, numbering about 2,000, attacked at night after marching from Fansze, 30 kilometers northeasy of Taihsien. After a clash with the Japanese Nakamura detachment the Communists fled, leaving more than 600 dead, *Domei* said.

Japanese Purchasing Scrap Iron in Hongkong

Chinese circles state that large quantities of scrap iron have been purchased by Japanese agents in Hongkong lately. It is estimated that as much as $100,000 worth of scrap iron is bought every day.

New Books of Interest in the Far East

A Study in Social Theory

Conflict and Community, by George Simpson. Published by T. S. Simpson, 551 Fifth Avenue, New York City. $1.

This is a study in social theory, submitted to Columbia University as a thesis in partial fulfillment of the requirements for the degree of doctor of philosophy.

Dr. Simpson introduces his dissertation by a discussion of conflict and its role, distinguishing between *association* and *community;* and showing the relationships between associational and communal integration. He then shows there are two types of conflict: communal and non-communal. Non-communal include war and revolution; communal, the community in political, economic and class conflicts.

A most illuminating section of the work is devoted to the answer of the question, What is a community? We are told there are biological communities, geographical communities, community and communication, community and law, community and the state.

The author concludes non-communal conflicts cannot be eliminated, because we choose instruments which are the antithesis of the end sought. Militarism, force, capitalism, Fascism will not bring the larger community into being, for they render individuality useless, aud make impossible any kind of subsequent adjustment after the error has been made. He says "specious community can only give rise to specious individuality, and specious individuality can serve to increase the number of maladjusted, pathological organisms which once were men. The tragedy which the late war left in its wake led some of us to believe that from such errors men must surely learn. Instead of community, however, we increased the attraction of national statehood; instead of individuality we have chosen imposed authority. And this tragedy bids fair to be enacted again in the near future, and will continue to be re-enacted until the lesson of non-communal conflicts is learned."

Page after page is filled with provocative arguments, not only taking issue with Marx, Hegel and Rousseau, but Dewey, Laski, MacIver and Loewenberg as well. To all of them the author propounds what seems to be an unanswerable question: If non-communal conflicts disrupt individuality, cause organic maladjustments and disease, how can men learn to look beyond the boundaries of circumscribed community to those larger communal ends which will redound in health? A further problem for anyone attempting to change the social organization is the fact that the past will continue to exist in the present habits and traditions of men, even though the "past" may be overthrown by war or revolution, but the habits and traditions of men may linger on.

M. V.

Tariff Freedom

China's Struggle for Tariff Autonomy, by Stanley F. Wright. Kelley & Walsh, Shanghai. 775 pages. $12.50.

The story of China's Customs Tariff from the Treaties of Nanking (1842 and Hoomunchai (1843) to the present year of 1938 is told in *China's Struggle for Tariff Autonomy* written by Stanley F. Wright, a former commissioner in the Chinese Maritime Customs and published recently in Shanghai by Kelly & Walsh. The work abounds in such rich material that a reviewer's task is well-nigh impossible, other than to touch on a few of the high lights.

The author says he is not telling the story of the Chinese Maritime Customs, yet by his objective presentation of the facts of China's customs history he does that very thing. He traces China's awakening through eight and a half decades to the realization of the consequences of her loss of tariff autonomy and her struggle to regain her independence, only to have it again imperiled by the present war with Japan.

The ninety years after the foreigners forced China to accept tariffs designed to give the westerners every possible benefit have seen more change in the nation than in any century in China's long history. Foreigners, having come to China for commerce, ignorantly believing they had found an illimitable market, found they had to insist on privileged protection from the law of the land in which they traded, in addition to a low standard tariff. Under pressure of internal disorder the customs tariff came to be administered under a foreign inspectorate, with Horatio N. Lay as first Inspector-General. He and Sir Robert Hart were the builders of the Chinese Customs Service, an organization unique in itself.

Mr. Wright reveals, step by step, the slow and painful recovery of China's rights, sources of menace to her revenues, projected tariff revisions which failed, others which succeeded but with scant help to the nation. The Great War, conferences, at Versailles and Washington "prepared the way for China's release from foreign dictatorship of what her tariff should be,"

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85-371

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In the United States Court for China

WILLIAM TAYLER VROOMAN, Plaintiff, vs. WINIFRED CURTIS WOLFFE VROOMAN, Defendant.	Cause No. 4343 Civil No. 2222 ORDER Filed at Shanghai, China, August 2, 1938. William T. Collins, Clerk. E. J. Collins, Dep. Clerk.

The object of this suit is to secure a decree of divorce.

WHEREAS plaintiff herein, on the 2nd day of August, 1938, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 28th day of July, 1938, the summons for defendant was returned by the United States Marshal for China, "Not to be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 28th day of July, 1938, William Tayler Vrooman, the plaintiff herein, filed an affidavit to the effect that the defendant, Winifred Curtis Wolffe Vrooman, does not reside within the jurisdiction of this Court;

NOW, THEREFORE, it is, this 2nd day of August, 1938, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach defendant. And it is

FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 20th day of August, 1938, the last day of publication of this Order; Otherwise the case will be proceeded with as in case of default.

By The Court,
NELSON E. LURTON,
Special Judge.

85-372

and finally that "release came through the Peking Conference 1925-1926) with its aftermath of surtaxes, and through the reborn spirit of national independence."

An entire chapter is devoted to the Peking Conference, giving a day by day account of the moves, checks, shifts, Chinese seeking freedom, foreigners unwilling to break the fetters. The preponderance of facts, figures, opinions will cause some readers to flounder, yet is most stimulating and should be read by the countless caustic critics of China's recent tariff developments and levies, for they cannot but come to a realization that the day had come for freedom from tariff bondage.

Unfortunately, China's tariff freedom is again at stake, and has been since Japan seized Manchuria in 1931 and later started protecting the smugglers in North China by disarming the Customs Preventive cruisers. Mr. Wright says, in closing, that it is in the best interests of the Chinese people, and of world trade with China, that the internationally staffed Chinese Customs Service be allowed to continue its integrity intact.

The entire book is excellently documented, the author having had access to the archives of the Inspectorate of Customs and to the collection of documents and State papers in the British Foreign Office.

M. V.

About Canada

"Canada in World Affairs," is the title of an interesting pamphlet of a dozen pages, which was written by James Frederick Green and published by the Foreign Policy Association, N.Y. Since the World War the Dominion of Canada has taken fifth or sixth place in international trade and ranks second in per cap'ta exports. Special interest is now attached to Canadian economy, in which foodstuffs and munitions play an important role, due to increasing danger another war. Like the United States, the Dominion is debating the future in terms of isolation, empire solidarity collective security, neutrality and defense of democracy. The pamphlet surveys the Dominion from the standpoint of its Geography, Demographic, Ethnic, Economic situations and finally considers its relations with the United States, the British Empire, the League. Canada's present day troubles are due largely to the fact that while the country is a major economic factor in world affairs, it is still politically a minor power.

B. J.

Pirates Executed at Soochow

Four pirates, arrested by the Kiangsu Provincial Police after having participated in the hold-up of a passenger junk near the Soochow-Kashing Highway, were executed at Soochow on July 29, *Domei* reported. Because of outlaw activity along the highway and in the vicinity of Tungshihu recently, the number of patrolmen was increased by the Kiangsu Provincial Police.

On July 29, while on their usual round, the patrolmen en countered a band of pirates who had held up a Lieh Li-bound passenger junk at a place known as Hua King Kong. In a ten-minute engagement with the pirates, the patrolmen arrested four of them and seized two rifles, three pistols and one of the outlaws' boats. The arrested men, having confessed to the crime, were sentenced to death according to the Regulations Governing the Punishment of Bandits and executed, the reports said.

Junks Carrying Mines Shelled by Warships

Japanese warships on the Yangtsze bombarded and blew up large junks filled with mines upstream from Kiukiang on July 32, Japanese naval authorities announced. Naval planes raiding defeated Chinese soldiers near Tatung, along the Yangtsze about 70 kilometres northeast of Anking, inflicted heavy losses upon them.

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